2000
Ontario Economic Outlook and Fiscal Review

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Introduction

Since 1995, the Government has pursued a course of action to put Ontario on a sound financial and economic footing. Strategic actions taken by the Government include:

- Cutting personal income and business taxes.
- Preparing Ontario for the future by investing in education and skills development, infrastructure and R&D.
- Achieving a surplus one year ahead of schedule and on track to record the first back-to-back surpluses in more than 50 years.
- Getting out of the way of Ontarians by cutting red tape to promote competition and growth.
- Increasing government efficiency and accountability.

These actions have paid off handsomely for Ontarians. The province is in its fourth straight year of exceptionally strong economic growth. The economy has surpassed the Common Sense Revolution's five-year goal of creating 725,000 new jobs. In fact, more new jobs have been created in Ontario over the last three years than in any other three-year period in our history. The Government has consistently overachieved its fiscal targets and has begun the process of paying down the Net Provincial Debt.

The Government continues to look to the future. The Government will continue to take actions to help Ontario to grow, innovate and create new jobs to ensure future prosperity.

The first section of this document outlines the economic and fiscal actions taken by the Government to keep Ontario on the road to prosperity and sound fiscal management. The second section highlights the financial and economic successes resulting from these actions. The third section presents the solid outlook for Ontario's economy. The final section updates the Province's fiscal outlook for 2000-01. A statistical appendix is also included.

A. Actions

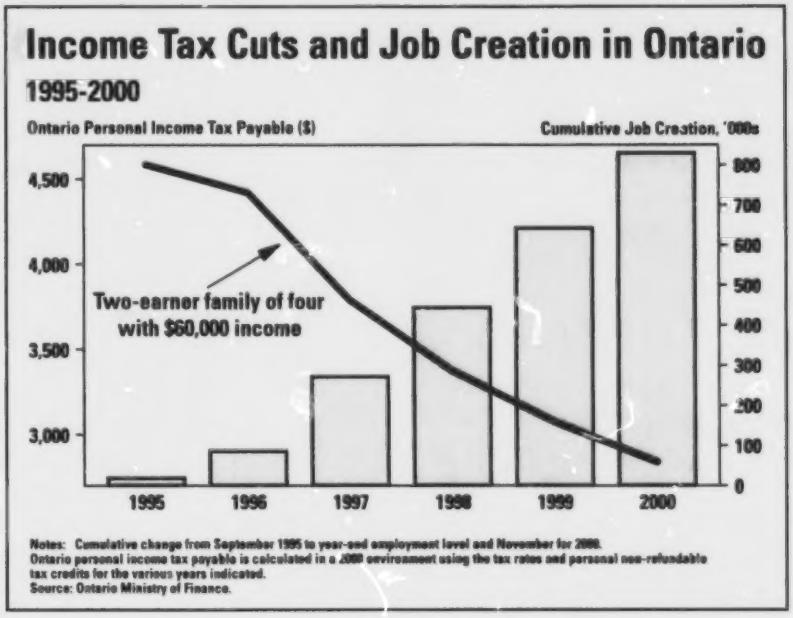
This section highlights key economic and fiscal actions taken by the Government since June 1995 to encourage job creation and economic growth.

- Cutting Taxes for People
- Cutting Business Taxes to Improve Competitiveness
- Investing Strategically in Infrastructure
- Spurring Innovation and R&D
- Supporting Education and Skills for the New Economy
- Re-balancing Workplace Relations
- Removing Barriers to Growth
- Increasing Government Efficiency and Accountability
- Balancing the Budget

Action: Cutting Taxes for People

"Tax cuts have paid real dividends in terms of a strong economy and jobs in Ontario."

Ontario Budget, 2000



- Cut Ontario's personal income tax rate by 30 per cent between 1995 and 1999; implementing a further 20 per cent personal income tax cut to be fully delivered in the 2001 budget.

- Provided a Taxpayer Dividend of up to $200 to 1999 Ontario personal income tax payers.

- Reduced the amount of capital gains taxed from 75 per cent to 50 per cent.

- Cut residential education property taxes by $250 million, rising to $500 million by 2004; and provided a permanent Land Transfer Tax refund of up to $2,000 for first-time buyers of newly built homes.

- Phasing out Retail Sales Tax on motor vehicle insurance premiums and on repairs and replacements made under warranty.

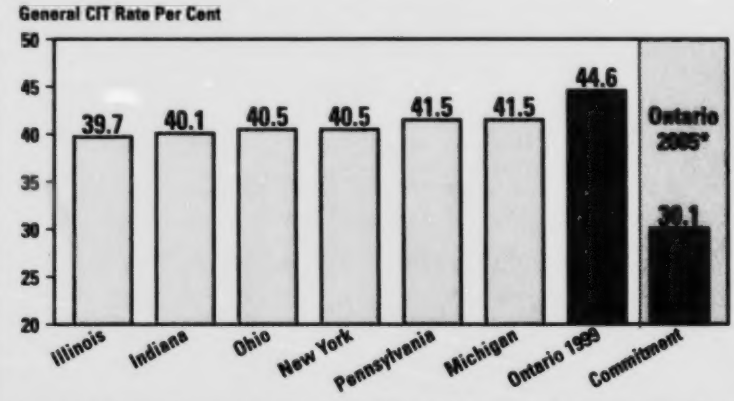
- Introducing a Made-for-Ontario personal income tax system to give the Province more flexibility in designing tax cuts to create jobs.

Action: Cutting Business Taxes to Improve Competitiveness

"A cut in business taxes is an investment in increasing long-term growth."

Ontario Budget Paper E, 2000

Corporate Income Tax Rates in Ontario Compared to Neighbouring States



* Ontario's commitment to an 8 per cent general corporate rate by 2005 and implementation of the federal corporate tax reduction announced in the Fall 2000 Economic Statement.
Note: The CIT rates shown here are the combined federal and state/provincial rates.
Source: Ontario Ministry of Finance.

- Cutting both Ontario's 15.5 per cent general corporate income tax rate and its 13.5 per cent manufacturing and processing tax rate to 8 per cent by 2005.
- Cutting the small business tax rate to 4 per cent by 2005; expanding the number of firms benefiting from the small business tax rate; and e[illegible]nced capital tax exemptions.
- Cutting business education taxes $325 million by 2001, rising to over $500 million by 2004.
- Providing a wide range of incentives to promote innovation and R&D, encourage expansion of book publishing, film and television production, interactive digital media and sound recording, attract and retain skilled workers and encourage public-private research partnerships.
- Introduced tax reductions for farming, mining, credit unions and caisses populaires.

Action: Investing Strategically in Infrastructure

"By consolidating infrastructure spending and emphasizing partnerships we will focus on investments that are both strategic and innovative ..." *Ontario Budget, 1999*

The Government is moving forward on a commitment to rebuild and modernize the Province's infrastructure through innovative partnerships.

- Through SuperBuild, the Province invested over $4.8 billion in strategic infrastructure in 1999-2000, and plans to invest an additional $2.2 billion in 2000-01:
  - A record $1 billion in provincial highways in 2000-01.
  - $1.8 billion committed in 1999-2000 by the Province and its partners to modernize and rebuild Ontario hospitals.
  - Over $1 billion in college and university infrastructure in 1999-2000. Combined with partners' contributions, the Province's investment will result in a total of $1.8 billion invested in post-secondary facilities – the largest capital investment in colleges and universities in more than 30 years.
- Three new SuperBuild partnership initiatives were announced in the 2000 Budget:
  - SuperBuild Millennium Partnerships – $1 billion over five years to support the economic competitiveness of Ontario's large urban centres.
  - Ontario Small Town and Rural Development initiative (OSTAR) – $600 million over five years for infrastructure and economic development in rural areas and small cities and towns.
  - SuperBuild Sports, Culture and Tourism Partnerships – $300 million over five years to renew municipally owned or endorsed sports, recreation, cultural and tourism facilities, and major cultural/tourist attractions owned by provincial agencies or non-profit organizations.
- The first round of OSTAR will commit at least $240 million to help municipalities upgrade their water systems to comply with the Province's new Drinking Water Protection Regulation and to address other public health and safety infrastructure priorities.
- Ontario will contribute $500 million for the first phase of Toronto's Waterfront redevelopment. The city and federal governments will contribute $500 million each, bringing total investment to $1.5 billion. This investment will provide a significant boost to Toronto's bid for the 2008 Summer Olympic and Paralympic Games.

Action: Spurring Innovation and R&D

"Innovation is not simply about the creation of new technology or applications, more importantly it is about establishing an innovation culture that sees both the public and private sector collaborating naturally to produce new discovery that benefits us all. Ontario is doing just that."

Ontario Budget, 2000

- $750 million Ontario Innovation Trust is helping to fund labs, high-tech equipment and other research infrastructure at universities, hospitals and colleges.
- Ontario R&D Challenge Fund has so far levered $933 million in R&D commitments, including $309 million from the Province and $624 million from the private sector and research institutions.
- $127.5 million in Premier's Research Excellence Awards is helping Ontario's world-class researchers attract talented people to their research teams.
- Allocating $30 million annually for a new Ontario Research Performance Fund to help fund research overhead costs at universities and research institutions.
- Eliminating Ontario personal income tax for eligible research employees of R&D intensive firms on up to $100,000 of taxable stock option benefits and associated taxable capital gains per year.
- 20 per cent Ontario Business-Research Institute Tax Credit fosters R&D partnerships between business and Ontario non-profit research institutions.
- Ontario New Technology Tax Incentive provides companies a 100 per cent income tax deduction of the cost of eligible intellectual property acquired for use in Ontario.
- 10 per cent refundable Ontario Innovation Tax Credit for R&D performed in Ontario by small and medium-sized companies.
- 20 per cent refundable tax credit available on labour costs incurred in Ontario to produce computer animation and special effects in film and television productions.
- 20 per cent refundable tax credit available for costs associated with the creation in Ontario of original interactive digital media products.
- Eliminated Corporate Income Tax add-back for acquisition of foreign technology.
- Expanded Retail Sales Tax exemption for new equipment used by manufacturers exclusively for a combination of manufacturing and R&D, as well as for research equipment used by non-profit medical research facilities in Ontario.

Action: Supporting Education and Skills for the New Economy

"We are investing in skills for jobs. We are investing in the youth of Ontario."

Ontario Budget, 2000

New Investments in Colleges and Universities

- Invested over $1 billion through SuperBuild to expand and modernize post-secondary facilities.
- Doubled student spaces in computer science and high-demand engineering programs in colleges and universities through the Access to Opportunities Program.
- Enhanced and expanded the Ontario Graduate Scholarship program.
- Introduced an Educational Technology Tax Incentive for donations of equipment and technology to colleges and universities.
- Eliminated the RST on all donations to educational institutions.
- Exempted from the RST educational CD-ROMs purchased by schools, community colleges and universities.
- Improved student access by doubling the funding for the Ontario Work-Study Plan and increasing exemptions for earnings and merit scholarships under OSAP.

Continuous Improvement to Elementary/Secondary Education

- Provided an additional $101 million to reduce average class sizes in Junior Kindergarten to Grade 3, and $70 million to improve reading skills.
- Provided additional funding to reduce average class sizes in secondary schools.
- Increased special education funding for speech/language disorders and learning disabilities.
- Provided funding to increase young people's awareness of science and technology.
- Enriched the Ontario Youth Apprenticeship Program.
- Introduced a Charter of Education Rights and Responsibilities.
- Launched a new rigorous curriculum with more science and math.
- Working to implement a comprehensive teacher-testing program.

Investing in Skills for Tomorrow

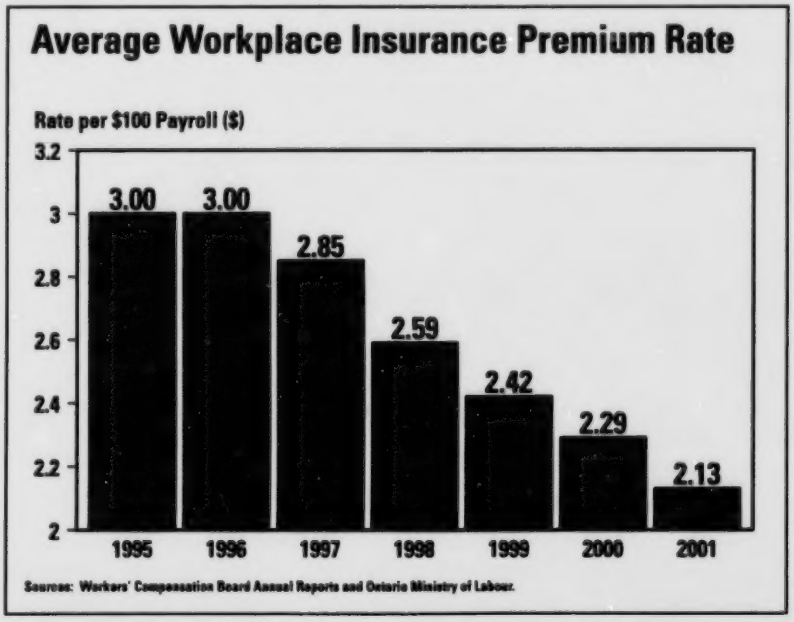
- Supported 34 training projects to date in partnership with the private sector under the $130 million Strategic Skills Investment initiative.
- Established the Apprenticeship Innovation Fund to modernize classroom training.
- Provided funding for TVOntario to develop innovative workplace training delivery.
- Funding training and career awareness for women in the IT sector.
- Expanding Women in Skilled Trades program for pre-apprenticeship in the auto parts sector.
- Funding bridge training for foreign-trained nurses and other professionals.

Action: Re-balancing Workplace Relations

"And while we've removed such barriers to job creation as high taxes and unfair job quotas, we've been careful to keep rules in place to protect and expand the rights of employees."

Blueprint – Mike Harris' Plan to Keep Ontario on the Right Track, 1999

- Scrapped unfair job quotas and froze the minimum wage.
- Ensured a secret ballot vote on all union certification applications.
- Passed the *Fairness is a Two-Way Street Act* and continue to monitor Quebec's commitment to treat Ontario construction workers and contractors fairly.
- Introduced amendments to the *Labour Relations Act* (Bill 139) to strengthen workplace democracy, promote workplace stability and foster economic growth.
- Introduced revisions to employment standards (Bill 147) to promote business competitiveness, relieve employers of red tape and help employees with family responsibilities.
- Passed Bill 69 to modernize labour relations in the construction sector.
- Reformed the Workplace Safety and Insurance system to put it on a sound financial footing. In 2001, the average insurance premium rate will be $2.13 per $100 of assessable payroll, a drop of 29 per cent since 1996 and the lowest level since 1983.



Action: Removing Barriers to Growth

"Businesses naturally strive to grow and people naturally want to succeed. Sometimes the most important thing a government can do is simply get out of the way of the energy and initiative of the private sector."
Blueprint – Mike Harris' Plan to Keep Ontario on the Right Track, 1999

Cutting Red Tape

- Red-tape watchdog made permanent; over 1,300 unnecessary regulations eliminated to date.
- All proposed new regulations must undergo a business impact test.
- Delegated regulatory administration to selected industry organizations, increasing consumer protection while providing more cost-effective service.
- Reduced the corporate tax return for small businesses from 16 to four pages.
- Increased the number of small businesses eligible to use the Short-Form Corporations return.
- Expanded Ontario Business Connects – a "one-window" electronic service – to simplify and streamline existing registration and reporting processes for Ontario businesses.

Promoting Competition and Growth

- Introducing competition into Ontario's electric power sector.
- Ended corporate welfare by eliminating 31 programs and $230 million per year in subsidies to individual businesses.
- Passed the *Electronic Commerce Act* to cut red tape, remove outdated legal barriers to e-commerce, boost consumer confidence and protection and support investment in Ontario.
- Created the Business Tax Review Panel to review Ontario personal, corporate and property tax systems.
- Helping entrepreneurs and small businesses through Community Small Business Investment Funds, Enterprise Centres, Self-Help Offices and Ontario Exports Inc.

Action: Increasing Government Efficiency and Accountability

"[We will] cut the size of government. We will provide the people of Ontario with better for less."
Common Sense Revolution, 1995

Streamlining the Public Sector

- Reduced the number of provincial politicians by 21 per cent, from 130 to 103.
- Reducing the number of municipalities from 815 to 447 by January 2001 and also reducing the number of local politicians by 39 per cent, from 4,586 in 1996 to 2,804.
- Reduced the size of the Ontario Public Service by approximately 25 per cent since June 1995.
- Overall provincial government program spending projected to decline from 15.9 per cent of GDP in 1992-93 to 11.9 per cent in 2000-01.

Providing More Efficient and Accountable Service

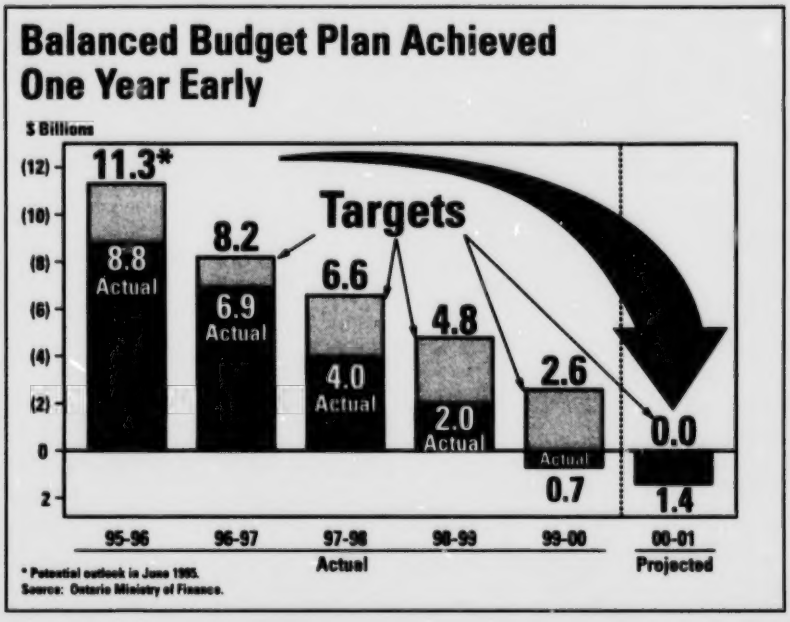
- Ontario ministries required to publish annual business plans with performance measures.
- Ontario to be the first North American jurisdiction to provide taxpayers with an annual report card on how well their local governments deliver key municipal services.
- Merging the Ontario Securities Commission and Financial Services Commission to provide one-stop access to regulatory services for consumers and industry.
- Using technology -- the Internet and computer kiosks – to provide faster, more convenient, 24-hour access to government information and services.
- Launched a Quality Service Strategy with new high standards of customer service in handling telephone, mail and walk-in inquiries and customer feedback.
- Encouraging new approaches in alternative service delivery, enabling ministries to focus on core businesses while partnering, privatizing or contracting for other functions better delivered by other sectors.
- Reporting salaries of public officials making $100,000 or more annually.
- Ontario Financial Review Commission reconvened to advise on options for strengthened financial management and accountability of the government's key transfer partners.

Action: Balancing the Budget

"Balancing the budget will not be easy, but it is essential. It will help get Ontario's public debt interest costs under control. It will protect taxpayers from never-ending tax increases."

Ontario Fiscal and Economic Statement, 1995

The Government's November 1995 *Fiscal and Economic Statement* set out a Balanced Budget Plan of declining annual deficit targets, culminating in a balanced budget in 2000-01.



- The Government has overachieved its deficit-reduction targets in each of the past five years.

- The Province achieved a $668 million surplus in 1999-2000, balancing the budget one year ahead of schedule, and is on track to achieve a surplus again in 2000-01 -- the first back-to-back surpluses in more than 50 years.

- Passage of the *Taxpayer Protection* and *Balanced Budget Acts, 1999*, will help ensure that future fiscal responsibility is maintained.

- In the 2000 Budget, the Government committed to more than double its $2 billion Net Provincial Debt reduction pledge to at least $5 billion during this mandate.
  - In 1999-2000, more than $1 billion was applied to Net Provincial Debt reduction.
  - Based on the projected surplus for the current year, Net Provincial Debt will be reduced by another $1.6 billion in 2000-01.

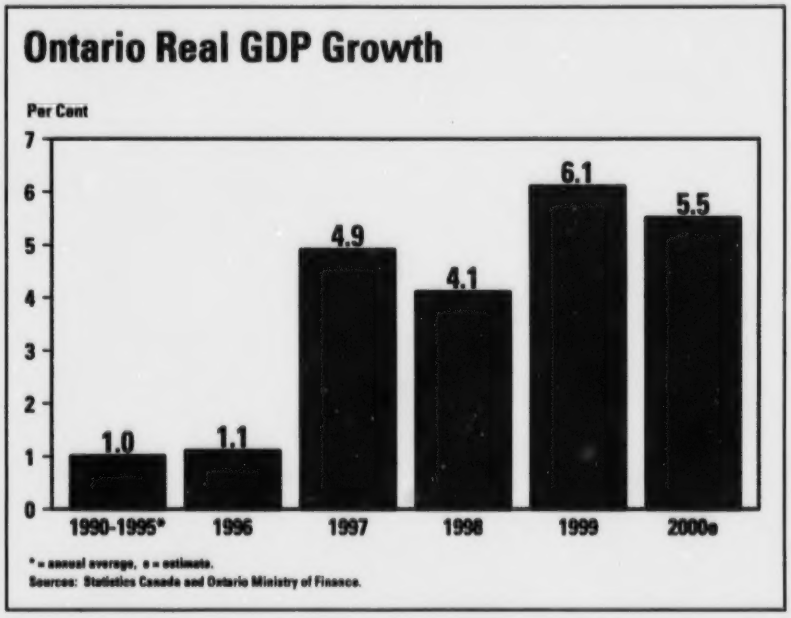
B. Results

This section focuses on the results that Ontarians are seeing so far. The actions taken by the Government have laid the foundation for sustained economic growth.

- Fourth Straight Year of Strong Economic Growth
- Balanced Growth
- Robust Job Growth
- Consumer Spending Buoyed by New Jobs and Tax Cuts
- Healthy Youth Job Gains Continue
- Job Growth in All Regions
- Ontario a North American Leader in Manufacturing Job Growth
- Auto Industry Production Share Up
- High-Tech Sector Engine of Growth
- Rapid Job Growth in New-Economy Industries
- Exports to the United States Diversifying and Gaining Market Share
- Balanced Budget Plan Achieved – One Year Early
- Continuing Success in Lowering Welfare Dependence

Result: Fourth Straight Year of Strong Economic Growth

Ontario's healthy and dynamic economy is well-positioned for sustained growth. Ontario's economic record has been stellar since 1996 with 6.1 per cent growth in 1999 and better than five per cent real GDP growth expected in 2000. Tax cuts and sound fiscal policies have contributed to strong, well-balanced economic growth.



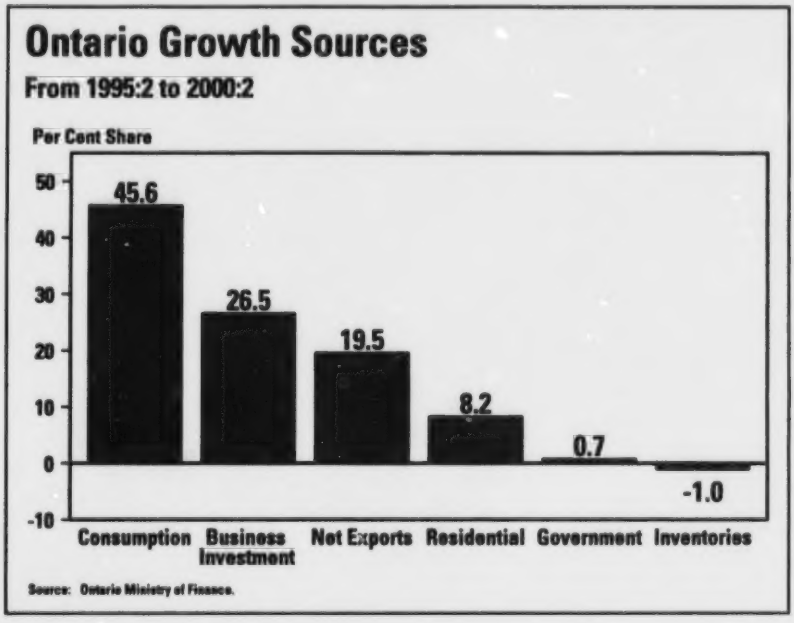
- Ontario has been the nation's growth leader over the last several years. In 2000, Ontario is expected to grow 5.5 per cent compared to 4.3 per cent for the rest of Canada.

- In 2000, Ontario real output rose 5.2 per cent in the first quarter and 5.3 per cent in the second (annualized growth rates). Soaring business investment, particularly in machinery and equipment, and strong consumer spending led growth in the first half of 2000.

- Strong economic growth continued in the second half of 2000. Since June, employment has jumped by 115,000 net new jobs, consumer spending is rising, more housing is being built and manufacturing production is increasing.

Result: Balanced Growth

Robust business and consumer confidence, reduced taxes, supportive government policy and healthy international growth have set the stage for strong economic growth and job creation in Ontario.



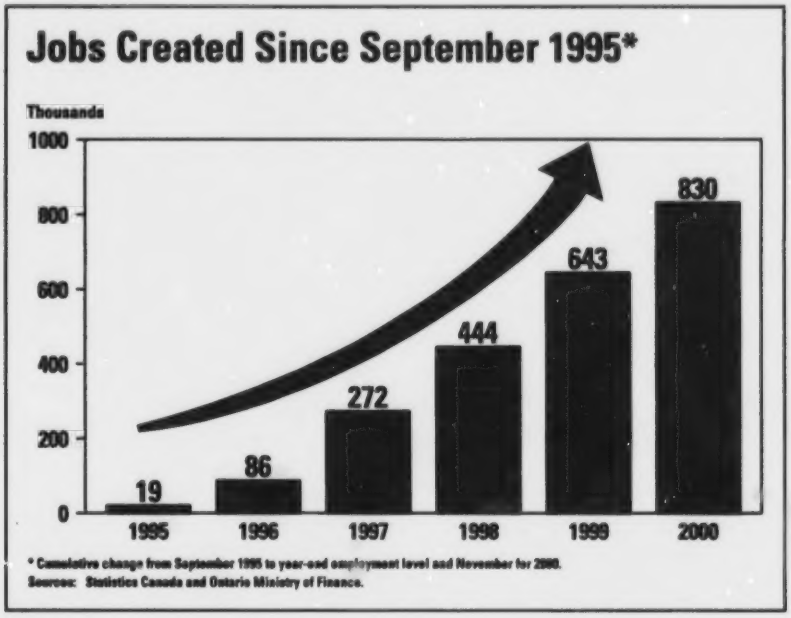
- Strong domestic demand has been the main engine of Ontario's economic growth, supported by tax cuts and job creation. Consumer spending accounted for 45.6 per cent of Ontario growth since the second quarter of 1995. Business investment has been the next biggest contributor.

- In the foreign trade sector, both imports and exports have grown strongly. Exports have increased 48.7 per cent since the second quarter of 1995, while imports have grown by 47.7 per cent. Net exports accounted for less than 20 per cent of Ontario's growth over this period.

- Personal, business and public sector financial positions have strengthened since 1995. Household debt financing costs as a share of disposable income are down, business debt-to-equity ratios have fallen and government debt as a share of GDP has dropped. This has contributed to the sustained, broadly based, period of strong economic growth in Ontario.

Result: Robust Job Growth

Tax cuts create jobs. In July of this year, the economy surpassed the Common Sense Revolution's five-year goal of creating 725,000 new jobs. Since then, the Ontario economy has created another 105,000 net new jobs.

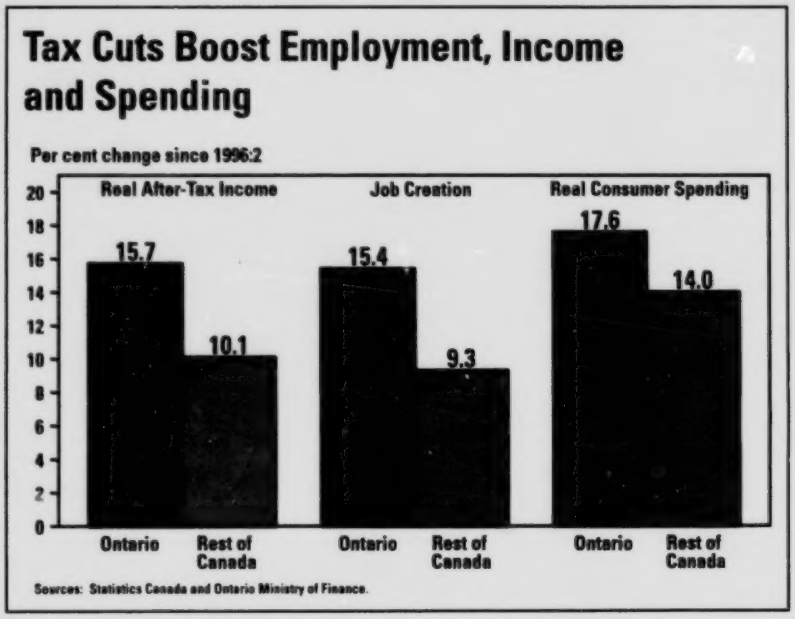


- Over the first 11 months of 2000, 184,000 net new jobs have been added to the economy, compared to the same period a year earlier. This follows record job creation of 198,000 in 1999. Ontario created over 558,000 new jobs over the 1998 to 2000 period, the strongest three years of job creation in the province's history.

- Most of the jobs gained in 2000 have been full-time, private-sector positions. The rise in employment has been spread across most sectors of the economy. Manufacturing industries have gained 47,000 net new jobs. Job creation has also occurred in health care and social assistance (+28,000), construction (+26,000), professional, scientific and technical services (+26,000), wholesale and retail trade (+24,000), information, culture and recreation (+24,000), management and administrative (+21,000) and transportation and warehousing (+19,000).

Result: Consumer Spending Buoyed by New Jobs and Tax Cuts

Personal tax cuts and continued solid job gains have led to robust growth in consumer expenditures. Since the second quarter of 1996 when Ontario income tax cuts began, Ontario real disposable income has increased much faster than in the rest of Canada. This has resulted in more job creation, stronger consumer confidence and faster real consumption growth than in the rest of Canada during the same period.



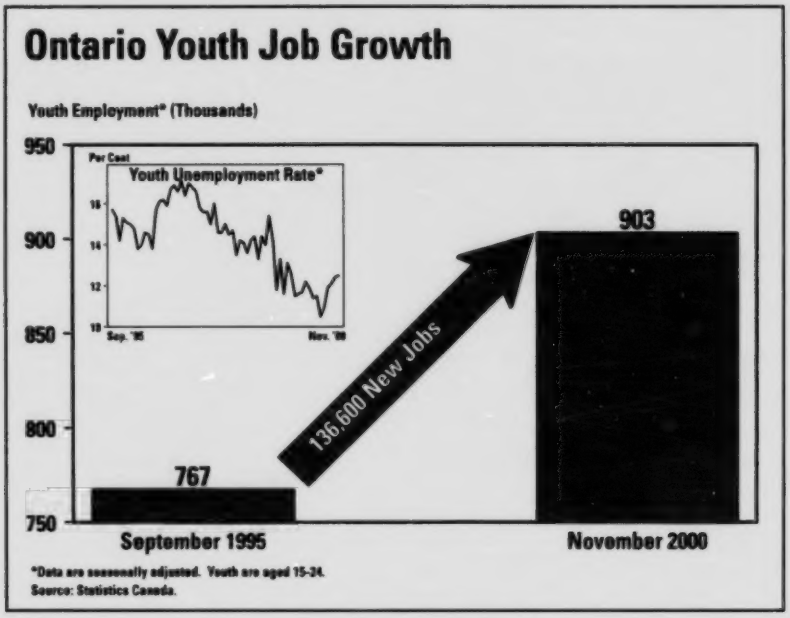
- From the second quarter of 1996, when Ontario income tax cuts began, to the second quarter of 2000, Ontario real disposable income increased by 15.7 per cent, much stronger than the 10.1 per cent pace for the rest of Canada.

- During the same period, Ontario real consumption has increased by 17.6 per cent, compared to only 14.0 per cent for the rest of Canada.

- From the second quarter of 1996, Ontario has created 797,000 jobs, or 50.8 per cent of the total job gains in Canada, despite making up only 39.0 per cent of national employment during the same period.

Result: Healthy Youth Job Gains Continue

Youth have experienced robust job gains as a result of Ontario's strong economic growth. Since September 1995, Ontario's youth have gained 136,600 net new jobs. This represents 52 per cent of all new youth jobs in Canada during that period, compared to Ontario's share of the national youth labour force at 38 per cent.



- In 1999, Ontario's youth gained 49,100 net new jobs, the fastest annual job growth on record for youth. Almost 90 per cent of these job gains were full-time.

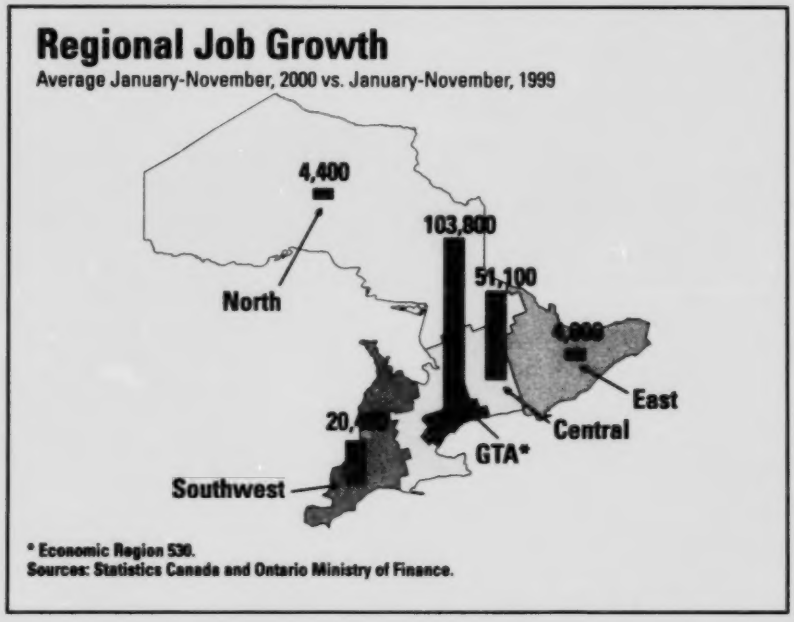
- During the first 11 months of 2000, Ontario's youth gained 38,300 net new jobs compared to the same period last year.

- Since the peak in April 1997, Ontario's youth unemployment rate has fallen to 12.5 per cent, and continues to be lower than the rest of Canada.

- In 2000-01, Ontario is spending $211 million on the most extensive youth employment programs in Canada. These programs are benefiting 215,000 youth, more than double the number of youth served six years ago.

Result: Job Growth in All Regions

Employment increased in all five of Ontario's regional economies during the past year, the Greater Toronto Area (GTA), Central Ontario, Eastern Ontario, Southwestern Ontario and Northern Ontario.



- The GTA accounts for 45 per cent of Ontario's employment. This year the GTA's economy has created 103,800 net new jobs.

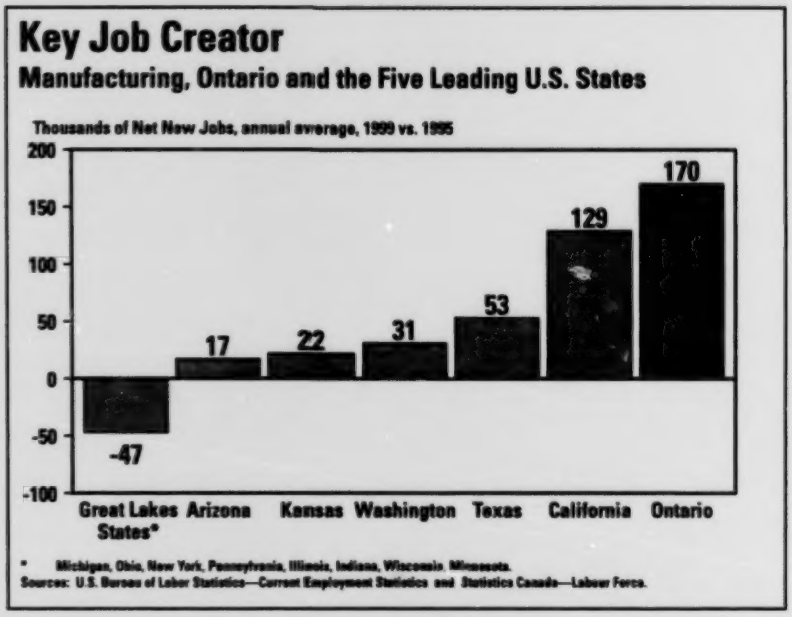
- Central Ontario accounts for 23 per cent of the province's total jobs while the Southwest and the East account for 13 per cent each.

- Job growth slowed in the North and the East after posting strong gains in 1999. In the North, jobs have grown by 18,700 since 1997 while jobs in the East have grown by 70,800 over the same period.

- Of major urban areas in Canada, Ottawa-Hull's 5.4 per cent and Windsor's 5.1 per cent unemployment rates are among the lowest in the country.

Result: Ontario a North American Leader in Manufacturing Job Growth

More manufacturing jobs have been created in Ontario in the past four years than in any other jurisdiction in Canada or the United States.



- Ontario is a critical part of North America's manufacturing heartland. The province's manufacturing sector gained 170,000 jobs between 1995 and 1999, dramatically outperforming its Great Lakes competitors. The eight Great Lakes States as a group lost 47,000 manufacturing jobs in the same period.

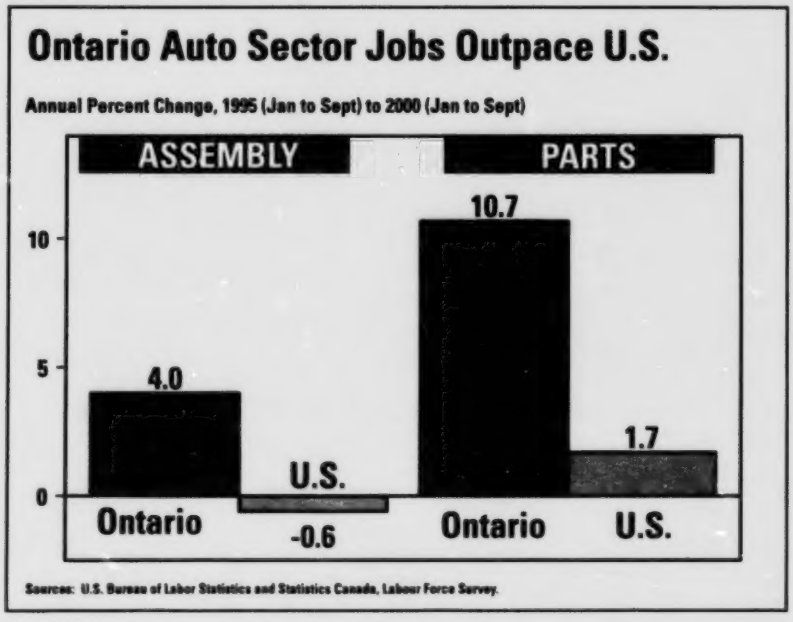
- Ontario manufacturing job gains were greatest for transportation equipment (+45,000), computers and electronic products (+21,000), furniture (+19,000), rubber and plastics (+19,000), and fabricated metals (+18,000).

- Toronto led Canadian gains in manufacturing employment with 92,000 net new jobs – nearly twice as many jobs as created by the next-largest metropolitan area, Montreal.

- Ottawa recorded the second-largest gain in manufacturing jobs in Ontario with 9,900, led by new-economy manufacturing industries. Windsor was next largest with 8,800 net new jobs created, followed by Hamilton and Kitchener with 6,600 each.

Result: Auto Industry Production Share Up

Ontario is the second-largest auto-producing jurisdiction in North America behind Michigan. Ontario exports more autos to the United States than do Japan and Europe combined.



- In 2000 (January-September), Ontario's share of North American vehicle production reached 15.6 per cent, up from 14.5 per cent in the same period in 1995. Since 1995 (January-September), Ontario's share of employment in the North American auto parts industry has grown from 13.5 per cent to 15.7 per cent.

- In 1999, Ontario manufactured more trucks, including SUVs and minivans, than any other jurisdiction in North America.

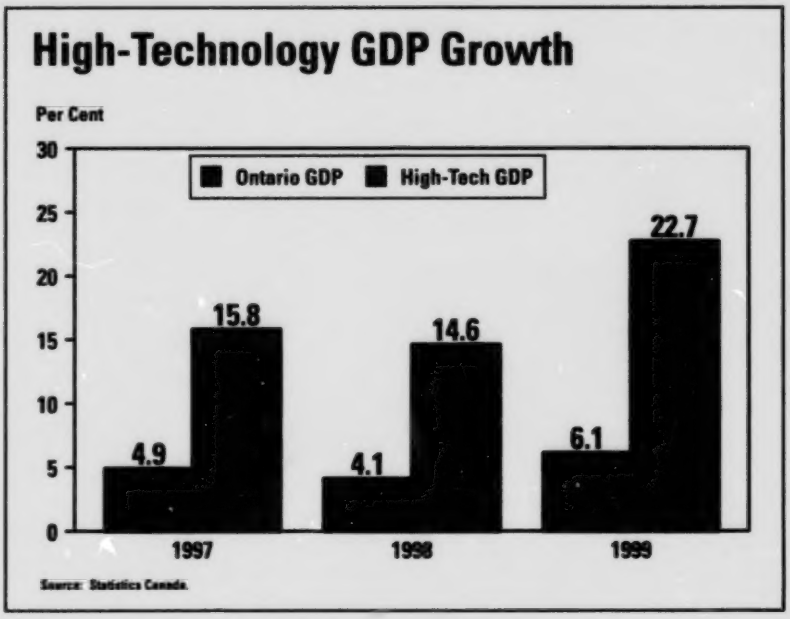
- The Ontario auto industry has directly created 63,600 jobs since 1995 (January-September). Of these, 49,200 have been created in the rapidly growing auto parts industry. Growth in autos and parts supports job creation in many other Ontario industries, such as steel, plastics and machinery.

- Auto-related R&D in Ontario is expanding significantly, following recent announcements by Daimler-Chrysler in Windsor and GM in Oshawa.

Result: High-Tech Sector Engine of Growth

Four key knowledge-based industries have led economic growth over the last three years with strong gains continuing into 2000.

- Output of computer manufacturing, telecommunication and electronic equipment manufacturing, computer services and telecommunication carriers rose 22.7 per cent in 1999, the third consecutive year of double-digit growth. Over the first half of 2000, high-tech output has surged by nearly 25 per cent. The share of these four industries in the Ontario economy has risen from 4.4 per cent in 1996 to 6.2 per cent in 1999.



- Production of computers jumped 27.8 per cent in 1999, following a 36.1 per cent increase in 1998. Robust growth continued in 2000, with production advancing at its quickest quarterly pace on record in the second quarter. Output of computer equipment has nearly tripled since mid-1995.

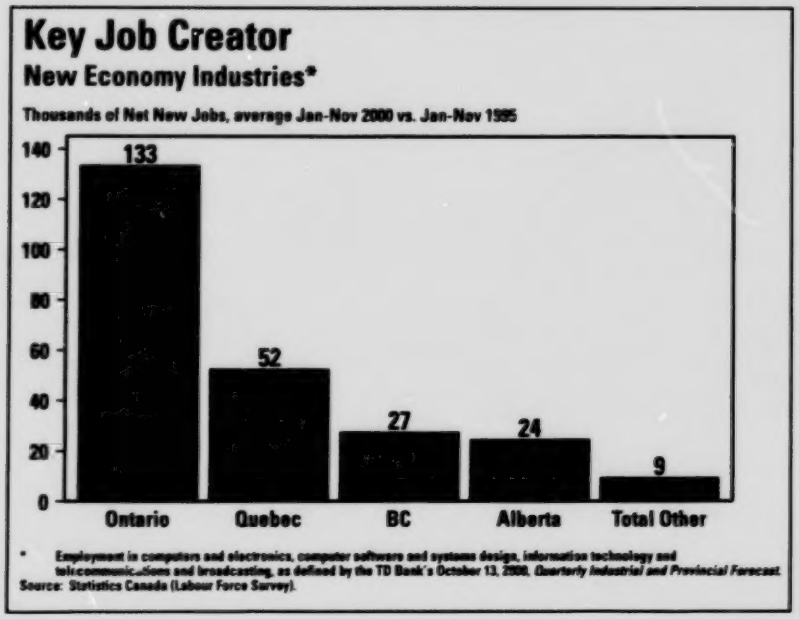
- Telecommunication and electronic equipment manufacturing rose 15.3 per cent in 1999. Production by this group has increased 57.2 per cent since mid-1995.

- Output by telecommunication carriers climbed 18.5 per cent in 1999, the strongest growth rate on record. GDP from this industry has increased 65.4 per cent since mid-1995.

- Coinciding with strong production levels, computer services output rose 30.9 per cent in 1999. Production has increased 151 per cent since mid-1995.

Result: Rapid Job Growth in New-Economy Industries

According to a recent TD Bank study, Ontario accounts for nearly 50 per cent of all Canadian jobs in the new economy. New-economy industries include information technology, telecommunications and broadcasting media. They have generated 133,000 net new jobs since 1995, accounting for 18.2 per cent of Ontario's total employment growth. New-economy employment has grown faster in Ontario than in any other province since 1995, except for P.E.I.



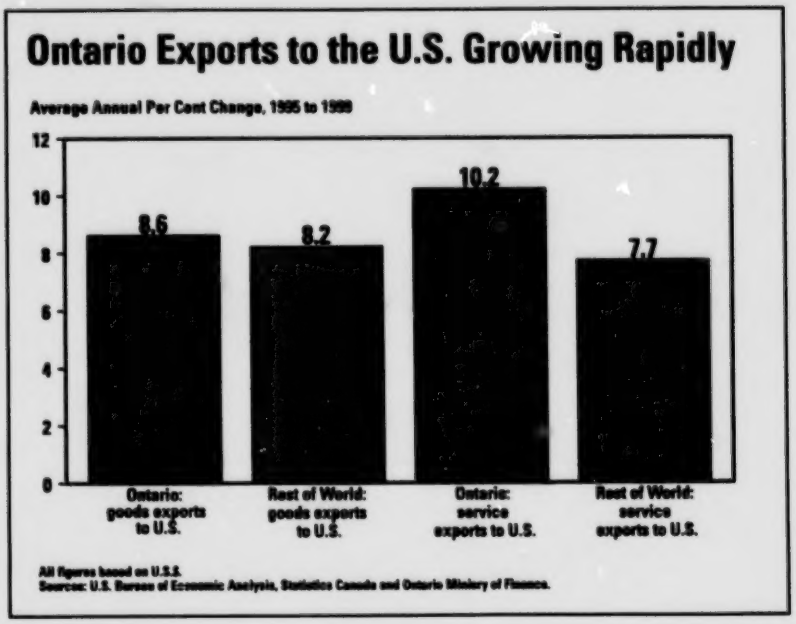
- New-economy industries account for 6.1 per cent of total Ontario employment, well above the average for Canada as a whole, according to the TD Bank study.
  - Growth in Ontario has been 9.7 per cent annually since 1995, as compared to 7.2 per cent for the rest of Canada.

- In the Ottawa area, new-economy employment has almost doubled since 1995, the second-largest gain in new-economy jobs of all Canadian cities, after Toronto. Employment in new economy industries rivals the federal government as the largest local source of jobs.

- New-economy employment has also grown rapidly in Kitchener-Waterloo-Cambridge, by 11.8 per cent annually since 1995, and in the Toronto region by 10.3 per cent annually.

Result: Exports to United States Diversifying and Gaining Market Share

Ontario total exports of goods and services to the United States grew an average of 8.7 per cent annually from 1995 to 1999, outpacing United States imports from the rest of the world, including from the rest of Canada. This reflects Ontario's competitive strengths in many industries.



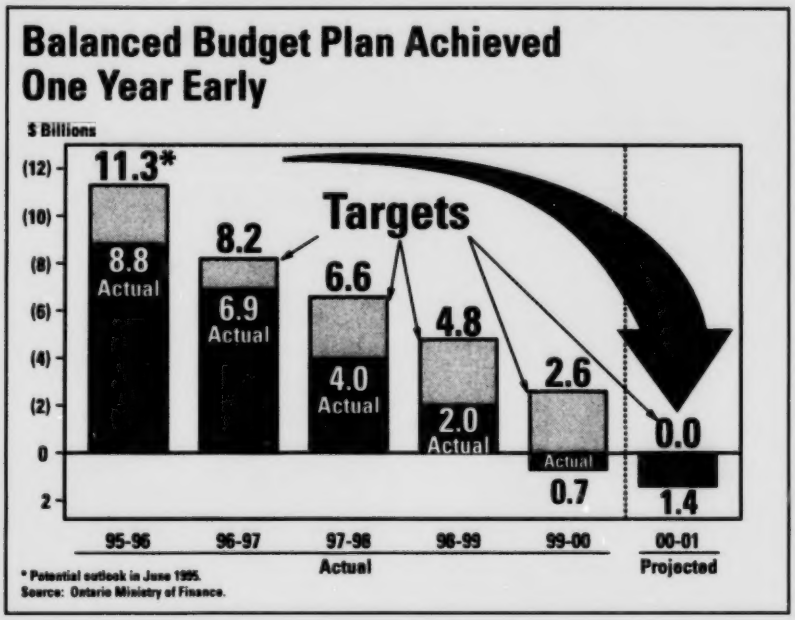
- Ontario's total exports of goods to the United States have grown an average of 8.6 per cent annually since 1995.

- Rapidly growing exports to the United States include auto and parts, telecommunications equipment, electrical and electronic products, plastics, specialty chemicals, refined petroleum products, aircraft and parts, cereal products, furniture and clothing.

- Ontario exports of services to the United States, including commercial services, travel and transportation, expanded at an annual rate of 10.2 per cent since 1995.

Result: Balanced Budget Plan Achieved – One Year Early

With a $668 million surplus in 1999-2000 and a $1,366 million surplus projected for 2000-01, Ontario is on track to achieve the first back-to-back budget surpluses in more than half a century.



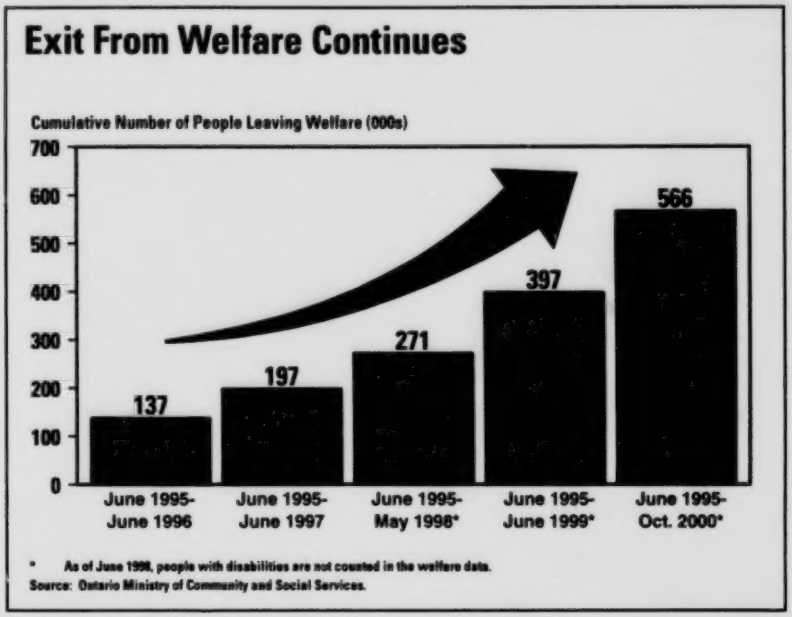
- In each of the past five years, the Province's deficit reduction targets have been overachieved.
  - Ontario is on track in the final year of the Balanced Budget Plan to overachieve the target for the sixth consecutive year with a surplus projected at $1,366 million.

- The passage of the *Taxpayer Protection* and *Balanced Budget Acts, 1999*, will help ensure that future fiscal responsibility is maintained.

- In 1999-2000 more than $1 billion was applied to Net Provincial Debt reduction.
  - With a further projected $1.6 billion Net Provincial Debt reduction in 2000-01, Ontario is more than halfway toward meeting its Net Provincial Debt reduction commitment.

Result: Continuing Success in Lowering Welfare Dependence

The year 2000 marks the sixth consecutive year of decline in welfare dependence in Ontario. Nearly 566,000 people (including children) have left welfare since June 1995.



- Ontario's success in lowering welfare dependence is due to the combined influence of strong job growth and welfare reforms that encourage independence. Since the September 1995 Throne Speech, Ontario's economy has generated 830,000 net new jobs.

- Ontario Works, the Province's mandatory work-for-welfare program, provides people with opportunities to upgrade their education, participate in job training and gain valuable work experience through community and private-sector job placements.

C. Economic Outlook

Ontario's economic prospects are sound. Healthy job creation, higher incomes and rising prosperity are being shared broadly across the province. This section highlights Ontario's economic growth prospects.

- Highlights
- Strong Growth Expected to Continue
- Strong Job Market Outlook
- Consumer Spending Supported by Tax Cuts and Solid Job Gains
- Housing Outlook Bright
- Investment Strong
- Healthy Export Growth
- Inflation Moderate
- Continued Low Interest Rates
- Conclusion

Highlights

Household spending, investment and exports are all expected to grow strongly in 2001. Continued strong growth will lead to higher after-tax income, healthy job gains and a declining unemployment rate.

Ontario Economic Outlook at a Glance
(Annual Average)

	1998	1999	2000e	2001p
Real GDP Growth (per cent)	4.1	6.1	5.5	3.7
Unemployment Rate (per cent)	7.2	6.3	5.7	5.6
CPI Inflation (per cent)	0.9	1.9	2.9	2.5

e = estimate, p = private-sector survey average.
Sources: Statistics Canada, Ontario Ministry of Finance and Ontario Finance Survey of Forecasts (November 2000).

- Healthy gains in consumer spending and housing market activity will be bolstered by rising after-tax income and increased job creation.

- Rising corporate profits, strong foreign and domestic demand and high industry capacity utilization rates are prompting robust business investment, especially in the productivity-enhancing information technology sector. All sectors of the economy are increasing investment and adopting new technologies, leading to strong productivity growth.

- Ontario's major international trading partner, the United States, has continued to grow above expectations, boosting the province's exports. Near-record annual auto sales in the United States and across Canada, combined with expanding high-tech investment, are fuelling Ontario exports.

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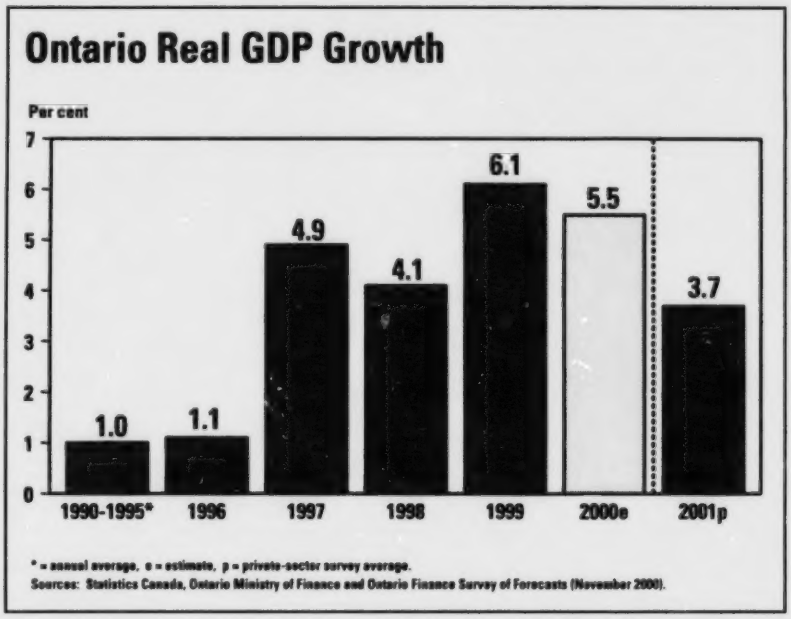
Strong Growth Expected to Continue

The Ontario economy continues to surpass even the most optimistic expectations. At the time of the Province's 2000 Budget, private-sector economists forecast real GDP to rise 4.7 per cent in 2000, with the most optimistic forecast at 5.0 per cent. Economic growth has been even more robust than expected. On average, forecasters now expect the economy to expand by 5.5 per cent in 2000 and 3.7 per cent in 2001.

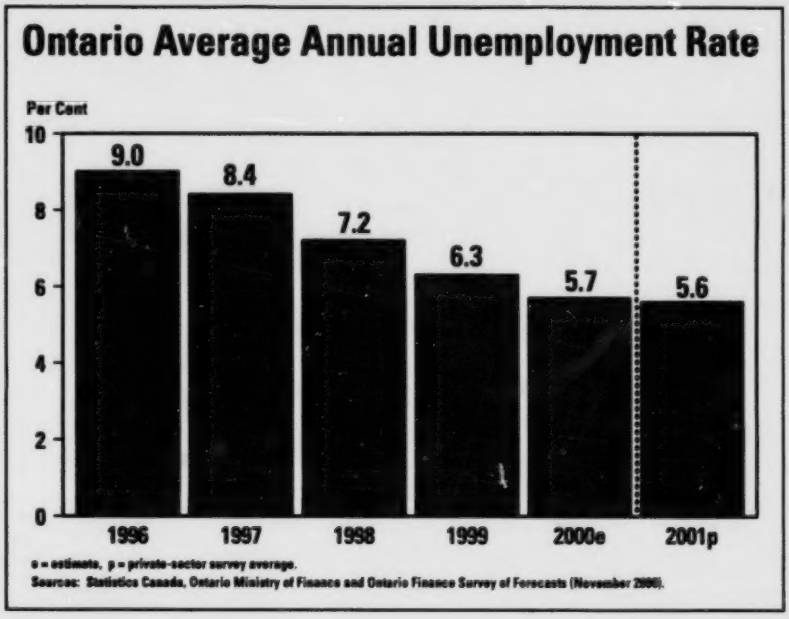


- Tax cuts, reduced regulation and sound fiscal management have created the conditions for strong economic growth in Ontario. As a result, job creation is vigorous, incomes are rising and consumer spending is thriving. Healthy gains in corporate profits are encouraging businesses to invest in new plants and more productive machinery and equipment.

- All private-sector forecasters expect the Ontario economy to grow faster than the Canadian economy in 2000 and 2001.

Strong Job Market Outlook

Tax cuts create jobs. Government policies of lower taxes, reduced regulation and sound fiscal management have laid a solid foundation for strong growth and job creation.

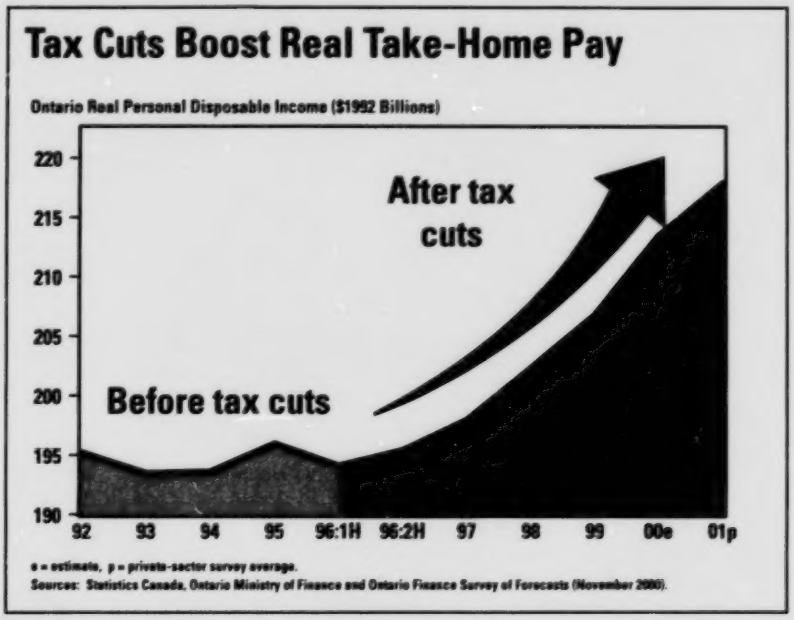


- Strong economic growth is expected to support average annual job growth of 3.3 per cent in 2000 and up to 3.0 per cent in 2001.

- Healthy job creation, tax cuts and welfare reform are inspiring more Ontarians to participate in the labour force, and they are finding jobs. The unemployment rate is expected to fall to 5.6 per cent in 2001 from an estimated 5.7 per cent in 2000, continuing the steady decline from the height of 9.1 per cent in mid-1995.

Consumer Spending Supported by Tax Cuts and Solid Job Gains

Consumer spending will continue to be the major source of economic growth in 2001, supported by rising after-tax income. Personal tax cuts and continued solid job gains will lead to strong income gains in 2001.

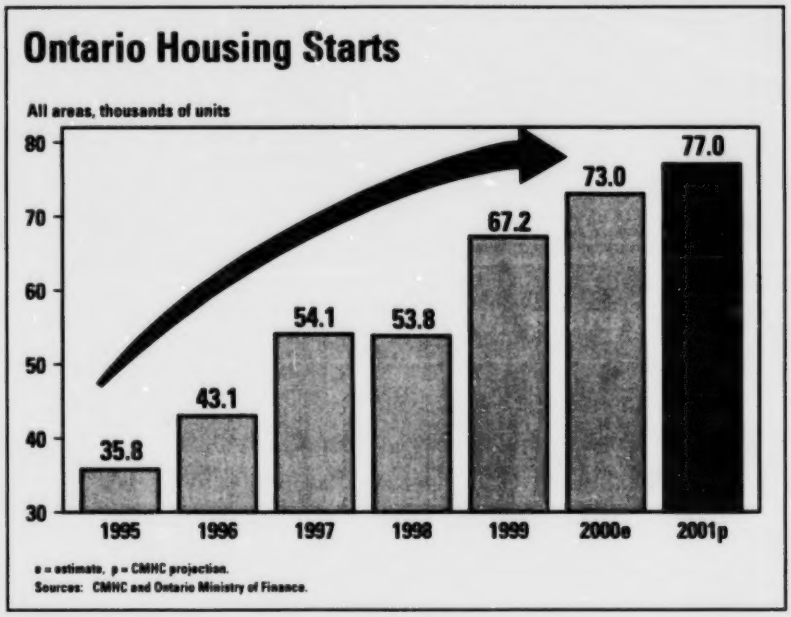


- Private-sector forecasters on average expect real disposable income to rise by 3.1 per cent in 2001, after an estimated gain of 5.0 per cent in 2000. The sharp rise in income is supported by Ontario Government policies to reduce taxes and improve the business climate. These policies leave more money in the pockets of taxpayers, promote consumer spending, encourage business investment and create jobs.

- Real consumer spending is expected to increase by 3.0 per cent in 2001, following an estimated 4.3 per cent rise in 2000.

Housing Outlook Bright

Strong employment growth and rising income are supporting a buoyant housing market. Despite a slowdown in construction due to collective-bargaining disputes in the second quarter, the number of housing units started this year is expected to be double its 1995 level, rising to 73,000 units. The Canada Mortgage and Housing Corporation (CMHC) forecasts Ontario housing starts will rise to 77,000 units in 2001.



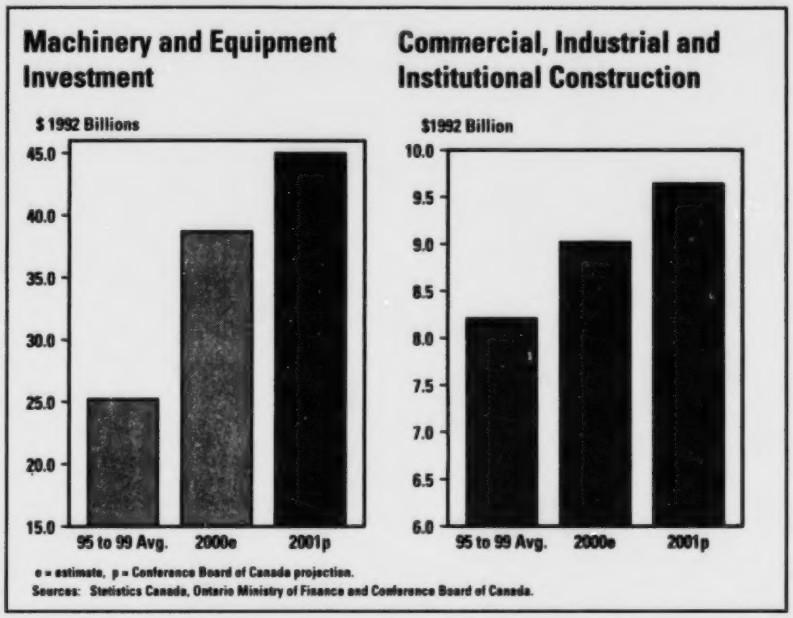
- Mortgage rates have come down in recent months and remain low by historical standards. The cost of a five-year mortgage in late-November 2000 was 8.25 per cent.

- Housing remains very affordable. In October 2000, the monthly carrying costs for an average-price home in Ontario were $1,092, compared to a peak of $1,489 in 1990. Housing costs as a share of average after-tax household income have fallen sharply from a high of 35.5 per cent in 1990 to 22.1 per cent in 2000.

- First-time buyers of newly constructed homes have been encouraged by Ontario's Land Transfer Tax rebate. Since this measure was introduced in 1996, it has helped over 77,000 Ontarians purchase their first home.

Investment Strong

Solid business investment growth is continuing in 2000 and 2001. The robust pace of growth in business investment reflects a strong expansion in the information technology sector as well as adoption of new technologies in the traditional sectors of the economy. Real investment in machinery and equipment is projected to rise by 16.3 per cent to $45.0 billion in 2001; real non-residential construction is projected to rise by 6.9 per cent to $9.6 billion.



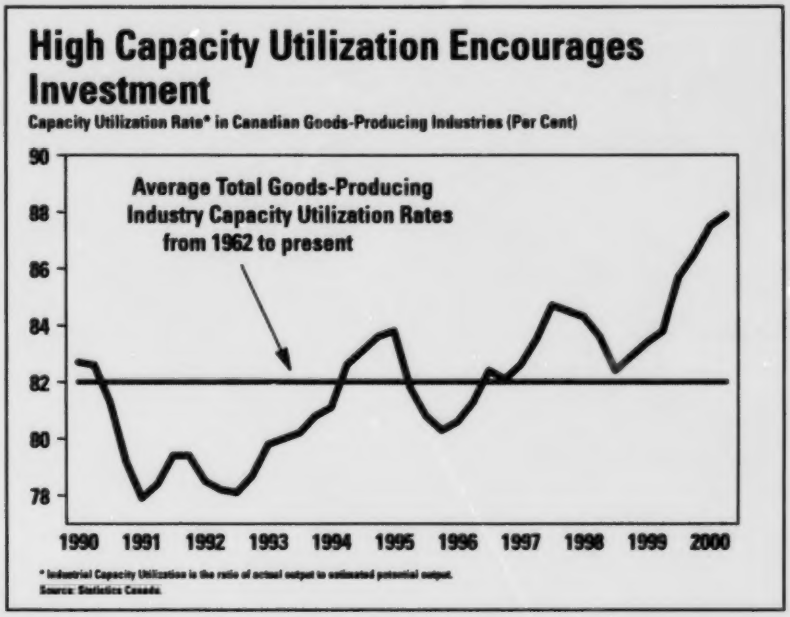
- The real value of Ontario business investment in machinery and equipment rose by 122 per cent between 1995 and 2000. Real investment in commercial and industrial construction rose 32 per cent during the same period.

- Machinery and equipment investment has increased 20.1 per cent over the first half of this year, reflecting the solid growth in "traditional" industries and booming demand in information technology-related sectors.

- Strong business demand for office space is fuelling robust growth in commercial construction. The Toronto (GTA) office vacancy rate fell to 5.8 per cent in the third quarter of 2000, down from 8.1 per cent a year ago. In Ottawa the vacancy rate fell to 2.3 per cent in September 2000, down from 7.6 per cent a year earlier, reflecting strong growth in Ottawa's burgeoning high-technology sector.

- Demand for industrial space in Ontario is strong. Commercial and industrial building permits rose at an annual average rate of 23.8 per cent over the past three years.

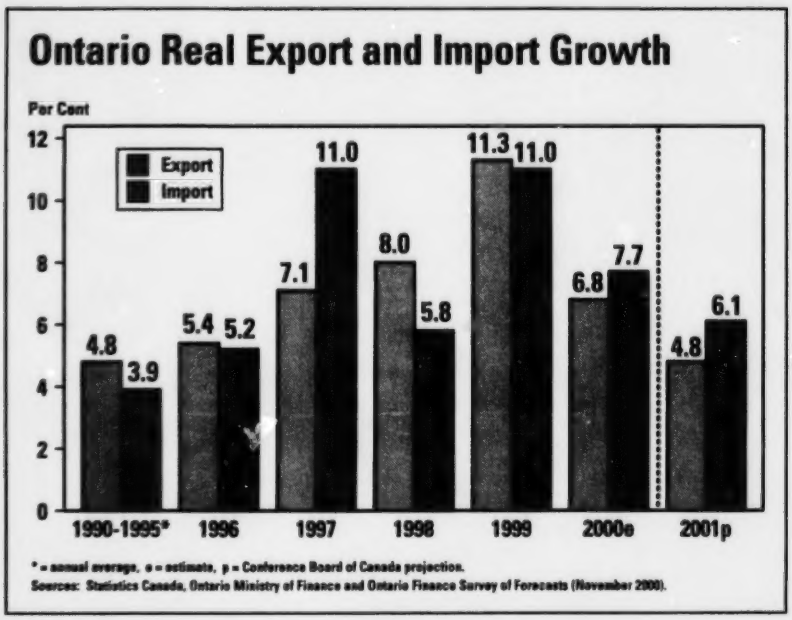
- Canadian capacity utilization rates are above the long-term average, prompting firms to invest further and increase potential production. Transportation equipment industries, primarily Ontario's auto industry, are operating at all-time-high capacity levels near 93 per cent.



Healthy Export Growth

Ontario export industries are recording another strong year in 2000, with international merchandise exports up 6.4 per cent over the first nine months of 2000. Over the same period, Ontario's international merchandise imports have risen by 8.0 per cent. Trade is projected to remain healthy in 2001, with continued economic growth in the United States, Europe and Asia.

- Rising productivity has been a key factor supporting Ontario's international competitiveness and export growth. Economy-wide unit labour costs have risen by only 4.1 per cent in Ontario since 1994, compared to 5.2 per cent in the rest of Canada and 9.2 per cent in the United States over the same period. The low value of the Canadian dollar has further reinforced Ontario industry strength in global markets.



- International trade has increased in importance to the Ontario economy through the 1990s. Following the Free Trade Agreement and the North American Free Trade Agreement, the province's international orientation has increased sharply. Ontario's exports and imports were equivalent to only 28.8 per cent and 31.5 per cent respectively of GDP in 1989. This ratio rose to 53.7 per cent for exports and 50.0 per cent for imports in 1999.

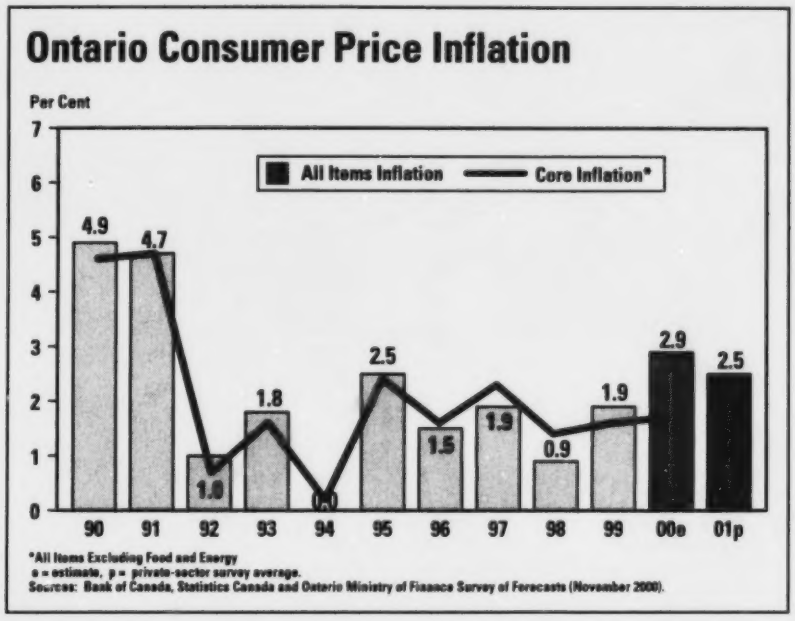
- In part, Ontario's import and export growth over the 1990s reflects the increasing integration and rising regional specialization in the North American economy. The import content of our manufactured exports has been rising with this integration. Increased integration, specialization and investment in new technologies will make Ontario industries more efficient and productive, benefiting all Ontarians.

- Ontario's exports of high-technology goods are booming in 2000. Over the first nine months of 2000 Ontario's exports of telecommunication equipment jumped 25.3 per cent in real terms, while computer exports grew 27.3 per cent. Auto exports are up 0.9 per cent over the same period last year following a 26.1 per cent annual gain in 1999.

- Strong export and import growth has been complemented by rapidly expanding domestic demand, providing Ontario with dynamic, well-balanced economic growth. In 1999, domestic demand accounted for three-quarters of real GDP growth. Domestic demand is expected to continue to play the driving role in Ontario's economic development. Since 1995, net exports (exports minus imports) have accounted for less than one-fifth of Ontario's total economic growth.

Inflation Moderate

Ontario's CPI inflation rate is anticipated to average 2.9 per cent in 2000 and 2.5 per cent in 2001, according to recent private-sector forecasts. The rise in CPI inflation is largely the result of higher energy prices. Core CPI inflation (all items excluding food and energy) remains below the mid-point of the Bank of Canada's target range of one to three per cent.



- In Ontario, the year-over-year CPI inflation rate was 2.9 per cent in October 2000. Excluding the impact of energy and food prices, the CPI inflation rate would have been 1.8 per cent in October 2000.

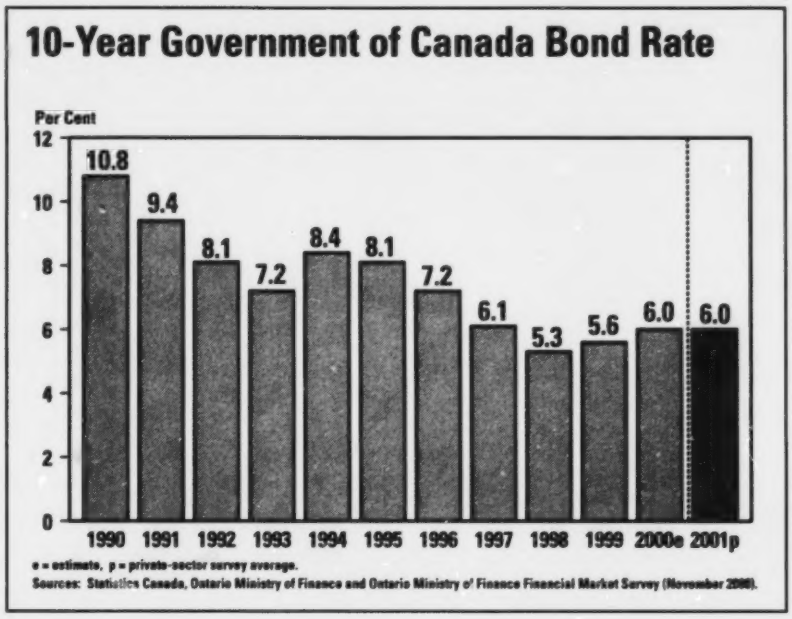
- Since early 1999, crude oil prices West Texas Intermediate (WTI) have climbed nearly threefold, rising from US$12.50 per barrel in January 1999 to US$34 recently. Ontario's average gasoline pump price has risen nearly 50 per cent over the same period. Private-sector forecasters expect oil prices WTI to decline to US$27 by the end of November 2001.

- Despite the rise in energy prices, the core rate of CPI inflation is not expected to move above the Bank of Canada's target range. Inflation is expected to remain low, reflecting rising productivity and increasing potential growth in the economy.

- Ontario wage settlements have remained moderate, averaging 2.4 per cent so far this year. The year-over-year rise in average hourly wages of permanent employees was 4.4 per cent in the third quarter as workers share in the benefit of rising productivity growth.

Continued Low Interest Rates

Interest rates in Canada are projected to remain low by historical standards, a benefit of low inflation and ongoing government surpluses. In the United States, the Federal Reserve has raised interest rates by 100 basis points this year, on top of a 75 basis point hike in 1999. The Bank of Canada has also raised interest rates, matching the Federal Reserve rate hikes in 2000, following a quarter-point increase in November 1999. Most private-sector forecasters think that interest rates are at or near their peak for this cycle.



- Private-sector forecasters expect the 3-month treasury bill rate to average 5.7 per cent in 2001, close to the current rate.

Canadian Interest Rate Outlook
(Annual per cent)

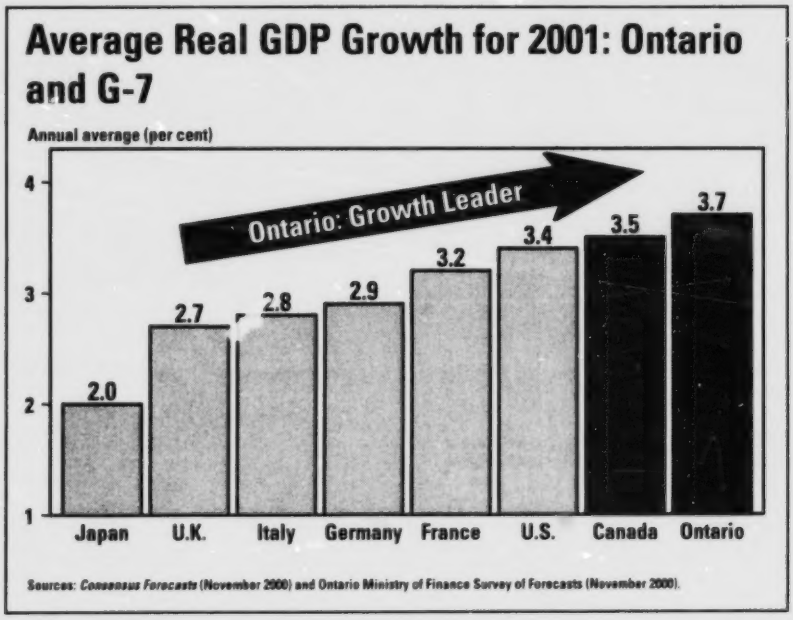
	1999	2000e	2001p
3-month treasury bill	4.7	5.5	5.7
10-year government bonds	5.6	6.0	6.0

e = estimate, p = private-sector survey average.
Sources: Bank of Canada, Ontario Ministry of Finance and Ministry of Finance Financial Market Survey (November 2000).

Conclusion

Economic performance continues to be strong in Ontario, and the future is bright. Jobs are plentiful. The Ontario economy will continue to expand at a strong pace. Income and corporate profit growth continues, and consumer spending will be boosted by declining tax rates. Businesses continue to invest heavily in the province. Tax cuts and sound fiscal policies have laid the foundation for a healthy future for Ontarians.

Private-sector economists, on average, expect Ontario to grow 3.7 per cent in 2001, faster than Canada as a whole or any of the other G-7 major industrial countries.



D. Ontario's Fiscal Plan

This section provides an update on the Province's 2000-01 fiscal outlook, based on results for the second quarter ending September 30; reports on Ontario's recent fiscal performance; and reviews Ontario's financing and debt management.

- Introduction
- 2000-01 Fiscal Outlook: Second-Quarter Update
- Financing and Debt Management
- Conclusion
- Financial Tables and Graphs

Introduction

Upon assuming office in June of 1995, the Government was facing a potential deficit of $11.3 billion. The Province was spending over $1 million more an hour than it was receiving in revenue. Based on the second quarter outlook, for the period ending September 30, 2000, Ontario now has a surplus projected at $1,366 million for 2000-01. After recording a surplus of $668 million in 1999-2000, Ontario is on track to record its second consecutive budget surplus, the first back-to-back surpluses since World War II.

In the decade prior to June 1995, the level of Ontario's debt more than tripled. In 1999-2000 Net Provincial Debt was reduced by more than $1 billion, and based on the projected surplus, debt will be reduced by another $1.6 billion in 2000-01. The Government is well on its way toward meeting its commitment to reduce Net Provincial Debt by at least $5 billion during this mandate.

Ontario now has in place the fiscal framework required to maintain sustainable funding for priority programs. But more needs to be done. Public Debt Interest costs the taxpayer over $9 billion each year, or 15 per cent of total spending. This represents the single largest Government expenditure, exceeding transfers to hospitals or transfers to school boards. The Government's commitment to reduce Net Provincial Debt will, over time, reduce the burden of interest costs on the Province's budget and help ensure there is more funding available to support priority programs and further tax reductions.

This section will:

- provide an update on the Province's 2000-01 fiscal outlook, based on results for the second quarter ending September 30;
- report on Ontario's recent fiscal performance; and
- review Ontario's financing and debt management.

2000-01 Fiscal Outlook: Second-Quarter Update

2000-01 on Track for Second Consecutive Budget Surplus

As of September 30, 2000, the Province is on track to achieve its second consecutive budget surplus. With surpluses in 1999-2000 and 2000-01, Ontario will achieve the first back-to-back surpluses in more than a half century.

2000-01 Fiscal Performance
($ Millions)

	Budget Plan	Current Outlook*	In-Year Change
Revenue**	62,060	64,053	1,993
Expenditure			
Programs	49,525	50,172	647
Restructuring and Other Charges	--	--	--
Accounting Changes from 1999-00 Public Accounts**	--	606	606
Total Program Expenditure	49,525	50,778	1,253
Capital**	2,075	2,209	134
Public Debt Interest			
Provincial	8,940	8,910	(30)
Electricity Sector	520	520	--
Total Expenditure**	61,060	62,417	1,357
Reserve	1,000	--	(1,000)
Net Impact of Electricity Restructuring to be Recovered from Ratepayers***	--	270	270
Surplus / (Deficit)	**0**	**1,366**	**1,366**

* Second-quarter results as at September 30.

** Accounting changes introduced in the 1999-00 Public Accounts increased total 2000-01 expenditure in-year by $746 million, representing more than 50 per cent of the in-year change from Budget Plan. These changes include an increase in the Provision for the Electricity Sector, and the expenditure impact of consolidating the Independent Electricity Market Operator and the Metro Toronto Convention Centre as government organizations, consistent with the treatment in the 1999-00 Public Accounts. Revenue increased by $358 million in 2000-01 as a result of these accounting changes.

*** Reflects the estimated excess of expenditure over revenue of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.

Source: Ontario Ministry of Finance.

- Ontario's 2000 Budget Plan included a $1 billion reserve designed to protect the balanced budget against unexpected and adverse changes in the economic and fiscal outlook. Based on improvements in the economic and revenue outlook, the $1 billion reserve has been eliminated and applied to Net Provincial Debt reduction.

In-Year Revenue Changes

Total revenue in 2000-01 is forecast at $64,053 million, $1,993 million above the Budget projection, and up $1,990 million from the First Quarter Ontario Finances outlook.

2000-01 Revenue Changes Since Budget
($ Millions)

Changes This Quarter:		
Taxation		
Personal Income Tax	1,200	
Retail Sales Tax	200	
Employer Health Tax	60	
Total Taxation		1,460
Income from Government Enterprises		175
Other Revenue		355
Total Revenue Changes Since First Quarter		**1,990**
Increase in Other Revenue Reported in First Quarter Ontario Finances		**3**
Total In-Year Revenue Changes		**1,993**

Source: Ontario Ministry of Finance.

- The strength of the Ontario economy is boosting tax revenue above the 2000 Ontario Budget projection. Tax revenue is projected to be $1,460 million above the 2000 Budget forecast.
  - Personal Income Tax revenue is $1,200 million higher due to the vigorous pace of growth of employment and incomes in Ontario.
  - Retail Sales Tax is $200 million higher as a result of strong growth in consumer and business spending.
  - Employer Health Tax is increased by $60 million due to robust job creation.
- Income from Government Enterprises is $175 million above the 2000 Ontario Budget projection.
  - Net income from the Ontario Lottery and Gaming Corporation is increased by $170 million due to the performance of slot machines at race tracks.
  - Other Income from Government Enterprises is increased by $5 million as a result of the change in status of the Metro Toronto Convention Centre from government enterprise to government organization, consistent with the treatment in the 1999-2000 Public Accounts. With this change in status, a $5 million net loss for the Metro Toronto Convention Centre, which was included in the 2000 Budget outlook, is now excluded from Income from Government Enterprises. Metro Toronto Convention Centre gross revenue is now included in Sales and Rental revenue.

- Other revenue is up a total of $358 million from Budget and $355 million from the First Quarter Ontario Finances. These increases are due to:
  - a $308 million increase in Miscellaneous revenue for the consolidation of the Independent Electricity Market Operator as a government organization, and a $45 million increase in Sales and Rentals for the change in status of the Metro Toronto Convention Centre from government enterprise to government organization. Both of these increases are consistent with the treatment of these organizations in the 1999-2000 Public Accounts.

  - a $2 million increase in Miscellaneous revenue for policing services provided for the Town of Tillsonburg, the County of Brant and the Township of Red Rock. An additional $3 million increase for policing services for Collingwood, Lambton County and Tecumseh was reported in the First Quarter Ontario Finances.

In-Year Operating Expenditure Changes

2000-01 operating expenditure increased by $617 million from the 2000 Budget Plan as a result of in-year decisions, and $606 million due to accounting changes introduced in the 1999-00 Public Accounts.

2000-01 Operating Expenditure Changes Since Budget
($ Millions)

Changes This Quarter:		
Hospitals' Comprehensive Strategy – modernization of services	398	
Public Service Pension Plan – benefit improvements and contribution holiday	138	
Emergency health services – in-year increase	100	
Public Debt Interest – savings	(30)	
Sub-total		606
Accounting Changes*		
Independent Electricity Market Operator – consolidation impact, offset by revenue	283	
Electricity Sector – increase in provision	275	
Metro Toronto Convention Centre – consolidation impact, offset by revenue	48	
Total Accounting Changes		606
Net Changes Reported in First Quarter Ontario Finances		11
Total In-Year Operating Expenditure Changes		**1,223**

* Accounting changes introduced in the 1999-00 Public Accounts increased operating expenditure in-year by $606 million.

Source: Ontario Ministry of Finance.

- An additional $398 million has been provided in-year for the Hospitals' Comprehensive Strategy to support the extensive modernization of hospital services.

- An additional $138 million has been provided in-year for various benefit improvements and a contribution holiday for members of the Public Service Pension Plan, similar to changes in the OPSEU Pension Plan.

- Expenditures increased $100 million in-year to improve access to emergency health services and to implement the province-wide flu vaccination program.

- Public Debt Interest costs are down $30 million due to lower-than-expected interest rates.

- Reported spending increased $283 million in-year to reflect the operating component of the consolidation of the Independent Electricity Market Operator as a government organization, consistent with the treatment in the 1999-2000 Public Accounts. This increase is offset by revenue.

- Consistent with the Government's commitment to keep electricity income in the electricity sector, an amount of $275 million has been added to the Provision for the Electricity Sector. This amount is equal to the net income of Ontario Power Generation and Hydro One in excess of the Province's interest expenditure on its equity investment in the electricity sector. This treatment is consistent with the establishment of the provision in the 1999-2000 Public Accounts.

- Reported spending increased $48 million in-year as a result of the consolidation of the Metro Toronto Convention Centre as a government organization, consistent with the treatment in the 1999-00 Public Accounts. This increase is offset by revenue.

In-Year Capital Expenditure Changes

The capital expenditure outlook at $2,209 million is up $134 million from the 2000 Budget Plan and up $142 million from the First Quarter Ontario Finances.

2000-01 Capital Expenditure Changes Since Budget
($ Millions)

Changes This Quarter:	
Aboriginal Community Capital Infrastructure Program	2
Accounting Changes	
Independent Electricity Market Operator – consolidation impact	140
Net Changes Reported in First Quarter Ontario Finances	(8)
Total In-Year Capital Expenditure Changes	**134**

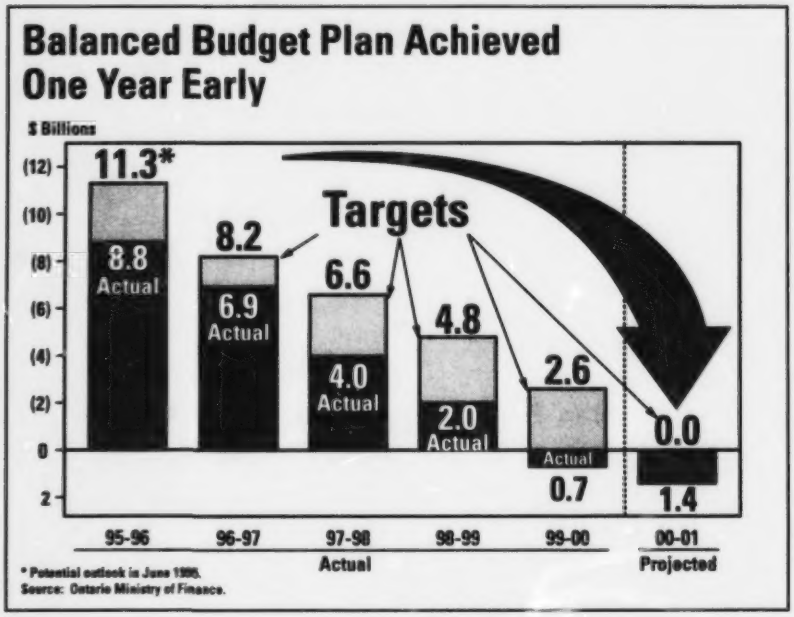
Source: Ontario Ministry of Finance.

- Capital spending increased $2 million in-year to support aboriginal economic development through the Aboriginal Community Capital Infrastructure Program.

- Reported expenditure increased $140 million in-year to reflect the capital component of the consolidation of the Independent Electricity Market Operator as a government organization, consistent with the treatment in the 1999-2000 Public Accounts.

Balanced Budget Plan Achieved One Year Early

In the November 1995 Fiscal and Economic Statement, the Government introduced its Balanced Budget Plan, which set out declining annual deficit targets for the Province, culminating in a balanced budget in 2000-01. In each of the past five years, the Balanced Budget Plan targets have been overachieved, and in 1999-2000 Ontario balanced its budget one year early, recording a $668 million surplus.



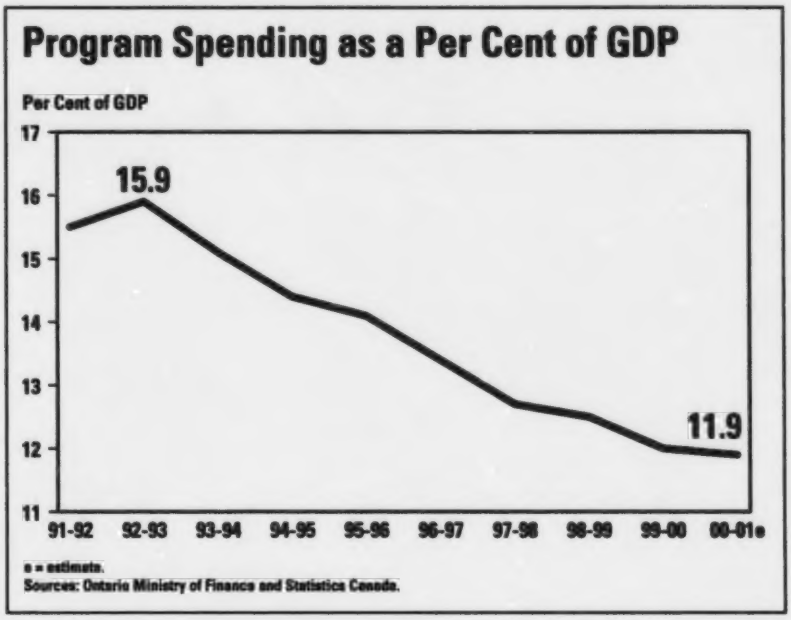
- In each year since 1995-96, the Balanced Budget Plan targets have been overachieved.

- As of September 30, the second-quarter outlook for 2000-01 is a $1,366 million surplus, on track in the final year of the Balanced Budget Plan to overachieve the target for the sixth consecutive year.

- The recently released 1999-2000 Public Accounts reported the 1999-2000 surplus at $668 million, a $2,744 million improvement on the 1999 Budget deficit target of $2,076 million, and a $3.3 billion improvement on the original $2.6 billion deficit target set out in the Balanced Budget Plan.

Program Spending as a Share of the Economy

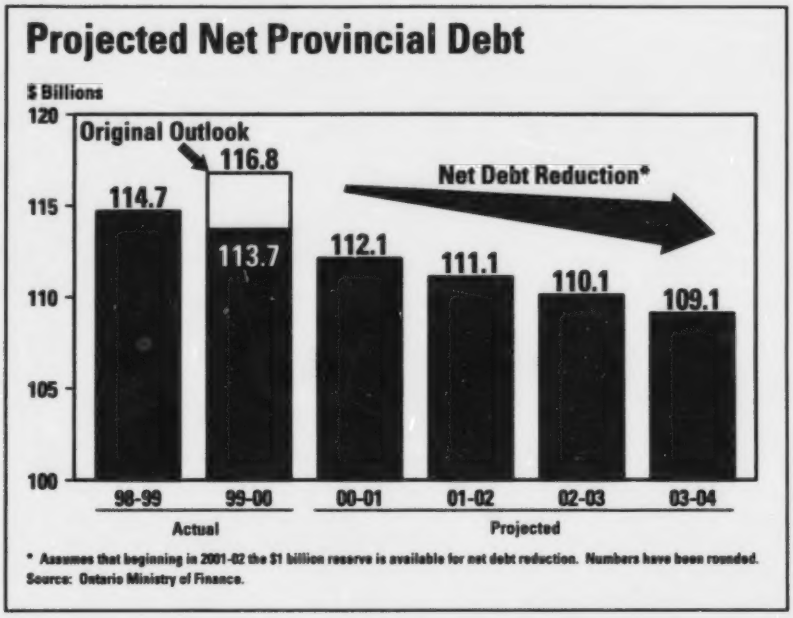
The Government's policy of controlling spending is demonstrated by a significant decline in program spending as a per cent of Ontario's Gross Domestic Product (GDP). This has been achieved by focusing spending on priority areas such as health care and education classroom spending, while continually finding improvements in the efficiency of government services.



- Program spending as a per cent of provincial GDP is projected at 11.9 per cent in 2000-01. Program spending as a share of the provincial economy has been reduced by about one quarter from the level recorded in 1992-93.

Commitment to Reduce Debt

Net Provincial Debt as of March 31, 2000 was $113.7 billion, $3.1 billion lower than it would have been under the 1999 Budget Plan. The Government's goal is to more than double the promised $2 billion reduction in Net Provincial Debt to at least $5 billion during this mandate.



- In 1999-2000, $1,022 million was applied to reduce Net Provincial Debt, an amount equal to the $668 million surplus reported in the 1999-2000 Public Accounts, excluding the $354 million net impact of electricity restructuring to be recovered from ratepayers.
  - Based on the projected surplus for the current year, Net Provincial Debt will be reduced by another $1,636 million in 2000-01.
  - With reductions in Net Provincial Debt in 1999-2000 and 2000-01, Ontario is more than halfway toward achieving its Net Provincial Debt reduction commitment.
- Ontario's 2000-01 Budget Plan included a $1 billion reserve designed to protect the balanced budget against unexpected and adverse changes in the economic and fiscal outlook. Based on improvements in the economic and revenue outlook, the $1 billion reserve has been eliminated and applied to Net Provincial Debt reduction.

Financing and Debt Management

Market Conditions

- The U.S. Federal Reserve has raised its Federal Funds rate by 50 basis points since the beginning of the fiscal year, in response to stronger-than-expected growth. U.S. Treasury yields have declined marginally in the fiscal year to date.

- The Bank of Canada has also raised interest rates by 50 basis points, aiming to keep inflation within its 1 to 3 per cent target range. Government of Canada bond yields have moved generally in tandem with those of the United States.

- After a gradual appreciation during 1999, the Canadian dollar has fallen against the U.S. dollar during 2000. The Canadian dollar has strengthened against most other major currencies.

- With the recent weakness in the Canadian dollar against the U.S. dollar, Canadian 10-year bond yields have moved consistently higher than their U.S. counterparts for the first time in over a year.

Financing Program

- As of September 30, net cash requirements have dropped by $1.1 billion, although total financing requirements have increased from $9.6 billion to $10.0 billion, mainly due to a $1.6 billion increase in "Early Redemptions and Debt Buybacks." These include early redemptions of Ontario Savings Bonds plus the repurchase of Ontario bonds that were re-issued at a lower cost.

- The Province borrowed $1.5 billion during the second quarter. Approximately half of this amount was through the repurchase and re-issuance of Ontario bonds. The remaining borrowing included $0.2 billion in Canada Pension Plan (CPP) refinancing, $0.1 billion from two Canadian Medium Term Notes, $0.1 billion from U.S. Commercial Paper and $0.4 billion from a re-opening of the August 2005 U.S. $1 billion Global issue.

- Almost 90 per cent of the borrowing completed during the first half of the year was raised in the Canadian dollar market, including the sale of $3.4 billion in Ontario Savings Bonds in June.

Financial Summary
($ Millions) As of September 30, 2000

	2000-01 Budget Plan	2000-01 Outlook
USES OF FUNDS:		
Deficit/(Surplus)	–	(1,366)
Accruals and Consolidations	5,205	5,430
Net Borrowing on Behalf of Agencies	–	83
Increase/(Decrease) in Liquid Reserves	(4,500)	(4,500)
Net Cash Requirements	705	(353)
Maturing Debt	8,425	8,239
Early Redemptions and Debt Buybacks	500	2,148
Total Financing Requirements	**9,630**	**10,034**
SOURCES OF FUNDS:		
Canada Pension Plan Borrowing	1,038	805
Other Sources/(Uses)	–	(330)
Long-Term Public Borrowing Completed		7,798*
Long-Term Public Borrowing Planned	8,592	1,761
Total Financing	**9,630**	**10,034**

* Borrowing completed as of November 30, 2000.

For the purposes of this table, budget surpluses are expressed as negative numbers.

- Maturing debt is lower than forecast in the Budget Plan due to the Province exercising its options on extendible bonds. "Other Sources" of funds decreased by $0.3 billion, mainly due to the Ontario Lottery and Gaming Corporation withdrawal of $0.4 billion from the Province of Ontario Savings Office (POSO). This amount was partially offset by higher deposits at POSO.

- As of November 30, the Ontario Financing Authority (OFA) had completed $7.8 billion of the Province's planned 2000-01 long-term public market borrowing of $9.6 billion. The Province plans to raise an additional $1.8 billion in long-term public market financing this fiscal year.

Debt Management Program

- The Province adheres to prudent risk management policies, using financial instruments such as options and swaps to hedge the Province's foreign exchange and interest rate risks.

- The debt managed on behalf of the Province comprises: Debt Issued for Provincial Purposes, Debt Issued for Investment in Electricity Sector, deposits with the Province of Ontario Savings Office and Other Liabilities.

- The Province is limited to having a maximum foreign exchange exposure of 5 per cent of debt. As of September 30, the Province's foreign exchange exposure was only 1.7 per cent of debt.

- Ontario also limits its exposure to interest rate fluctuations. As of September 30, the Province's interest rate resetting risk (net of liquid reserves) was 13.6 per cent of debt. The Province is limited to having a maximum interest rate resetting exposure (net of liquid reserves) of 25 per cent of debt.

Net Provincial Debt Outlook

- Based on the projected surplus for 2000-01, Net Provincial Debt is forecast to be $112.1 billion at March 31, 2001. This is $2.0 billion lower than the Budget Plan due to lower-than-anticipated Net Provincial Debt in 1999-2000 reported in the 1999-2000 Public Accounts, and improvements in the surplus outlook for 2000-01. The reserve has also been applied to reduce Net Provincial Debt.

Ontario Electricity Financial Corporation

- As of September 30, Ontario Electricity Financial Corporation (OEFC) borrowing requirements were estimated at $1.9 billion for 2000-01, down from the $2.5 billion forecast in the Budget Plan.

- As of November 30, the OEFC had completed $1.2 billion of its planned borrowing.

Conclusion

Due to sound fiscal management, Ontario is on track to achieve two consecutive budget surpluses, and the Province has established the framework and policies, as well as the *Taxpayer Protection* and *Balanced Budget Acts, 1999*, to ensure future budgets remain balanced.

By cutting taxes to encourage economic growth and focusing spending, the Government has reduced program spending as a share of the provincial economy while increasing spending in priority sectors such as health care and classroom education.

Ontarians can be proud of the fiscal achievements to date. With a healthy and vibrant economy, lower taxes and continuing reductions in Net Provincial Debt, Ontario is clearly on the right track.

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The Budget Dollar: Revenue 2000-01

The Budget Dollar: Total Expenditure 2000-01

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Operating Expenditure by Category, Per Cent of Total 1996-97 to 2000-01

Capital Expenditure by Category, Per Cent of Total 1996-97 to 2000-01

2000-01 Operating Expenditure by Category

2000-01 Capital Expenditure by Category

Statement of Financial Transactions **Table D1**
($ Millions)

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Outlook* 2000-01
Revenue	49,450	52,518	55,786	62,931	64,053
Expenditure					
Programs**	42,956	43,709	46,509	47,369	50,778
Restructuring and Other Charges	2,180	1,595	76	211	-
Total Program Expenditure	45,136	45,304	46,585	47,580	50,778
Capital**	2,612	2,451	2,187	4,832	2,209
Public Debt Interest					
Provincial	8,607	8,729	9,016	8,977	8,910
Electricity Sector	-	-	-	520	520
Total Expenditure	56,355	56,484	57,788	61,909	62,417
Reserve	-	-	-	-	-
Net Impact of Electricity Restructuring to be Recovered from Ratepayers***	-	-	-	354	270
Surplus / (Deficit)	**(6,905)**	**(3,966)**	**(2,002)**	**668**	**1,366**
Net Provincial Debt †	**108,769**	**112,735**	**114,737**	**113,715**	**112,079**

* Second-quarter results as at September 30.

** 1996-97 to 1998-99 restated to reflect reclassification of leases from capital to operating. Program expenditure totals in 1999-00 and 2000-01 reflect the impact of accounting changes introduced in the 1999-00 Public Accounts.

*** Reflects the estimated excess of expenditure over revenue of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.

† Net Provincial Debt represents total Liabilities less Financial Assets.

Source: Ontario Ministry of Finance.

Revenue
($ Millions)

Table D2

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Outlook 2000-01
Taxation Revenue					
Personal Income Tax	16,357	16,293	17,190	17,617	18,730
Retail Sales Tax	9,964	10,843	11,651	12,879	13,600
Corporations Tax	5,852	7,456	7,447	8,095	8,765
Employer Health Tax	2,772	2,851	2,882	3,118	3,380
Gasoline Tax	1,951	2,028	2,068	2,154	2,260
Fuel Tax	540	563	592	665	665
Tobacco Tax	356	425	447	481	510
Land Transfer Tax	452	565	470	565	580
Mining Profits Tax	54	40	23	50	55
Race Tracks Tax	46	4	6	6	5
Preferred Share Dividends Tax	73	60	50	33	40
Other Taxation	113	141	251	218	193
	38,530	**41,269**	**43,077**	**45,881**	**48,783**
Government of Canada					
Canada Health and Social Transfer	4,814	3,970	3,553	3,777	3,548
Increase in CHST Allocation	-	-	-	190	552
CHST Supplements	-	-	-	755	757
Social Housing	341	387	358	466	533
Student Assistance	9	18	64	170	171
Indian Welfare Services	128	87	155	85	114
Bilingualism Development	44	49	55	65	64
Employability Assistance for People with Disabilities	65	53	71	65	66
Canada-Ontario Infrastructure Works	142	116	71	19	-
Other	235	418	188	293	227
	5,778	**5,098**	**4,515**	**5,885**	**6,032**
Income from Government Enterprises					
Ontario Lottery and Gaming Corporation*	1,248	1,485	1,764	1,924	1,865
Liquor Control Board of Ontario	701	745	809	845	915
Ontario Power Generation Inc. and Hydro One Inc.	-	-	-	903	795
Other	10	61	(26)	36	23
	1,959	**2,291**	**2,547**	**3,708**	**3,598**
Other Revenue					
Vehicle and Driver Registration Fees	816	820	890	911	920
Other Fees and Licences	560	548	661	667	670
Liquor Licence Revenue	520	506	519	539	530
Royalties	264	286	289	345	240
Sales and Rentals	543	582	640	2,133	835
Fines and Penalties	157	174	50	41	35
Local Services Realignment - Reimbursement of Expenditure	-	519	2,109	1,678	1,572
Miscellaneous	323	425	489	1,143	838
	3,183	**3,860**	**5,647**	**7,457**	**5,640**
Total Revenue	**49,450**	**52,518**	**55,786**	**62,931**	**64,053**

* Effective April 1, 2000, the Ontario Lottery Corporation and Ontario Casino Corporation merged to form the Ontario Lottery and Gaming Corporation.

Source: Ontario Ministry of Finance.

Operating Expenditure
($ Millions) **Table D3**

Ministry	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Outlook 2000-01
Agriculture, Food and Rural Affairs	324	306	309	347	446
Farm Tax Rebate	150	158	-	-	-
Attorney General	638	681	751	844	883
Board of Internal Economy	124	113	117	154	121
Citizenship, Culture and Recreation	316	300	365	337	398
Community and Social Services*	8,053	8,067	7,659	7,512	7,504
Consumer and Commercial Relations	123	92	136	134	146
Correctional Services	537	531	540	563	591
Economic Development and Trade	192	140	89	94	99
Education	4,257	4,713	7,717	7,702	8,124
School Board Transition/Phase-in Funding	-	224	-	268	-
Teachers' Pension Plan (TPP)	933	1,443	67	(363)	(735)
Energy, Science and Technology	11	69	83	126	241
Environment	146	142	162	174	184
Executive Offices	13	14	17	19	22
Finance - Own Account*	452	691	998	548	787
Public Debt Interest					
Provincial	8,607	8,729	9,016	8,977	8,910
Electricity Sector	-	-	-	520	520
Community Reinvestment Fund	-	169	678	521	537
Health and Long-Term Care	17,760	18,284	18,868	20,378	22,504
Health Care Restructuring	970	532	50	-	-
Major One-Time Operating Costs	-	113	639	286	-
Intergovernmental Affairs	4	5	4	4	5
Labour	103	117	108	101	100
Management Board Secretariat	712	352	358	170	310
Public Service/OPSEU Pension Plan	94	(86)	(219)	(165)	(110)
Contingency Fund	-	-	-	-	1,000
OPS Employee Severance (Net)	438	(159)	-	88	-
Special Circumstances Fund	-	-	180	-	-
Municipal Affairs and Housing	2,456	2,395	1,611	1,665	1,645
Municipal Capital and Operating Restructuring Fund	150	23	-	-	-
Municipal Restructuring Fund	-	71	-	-	-
Native Affairs Secretariat	17	10	10	13	15
Natural Resources*	417	463	531	460	414
Northern Development and Mines	52	62	82	122	274
Office of Francophone Affairs	2	2	3	3	4
Solicitor General*	622	644	754	814	863
Tourism	53	54	69	70	76
Training, Colleges and Universities	3,568	2,988	3,215	3,284	3,387
Transportation*	899	702	607	587	537
Restructuring	550	50	(17)	-	-
TTC Five Year Capital Transfer/Ottawa-Carleton Regional Transit Commission Transit Bus Subsidy Agreement	-	829	44	-	-
Year-End Savings	-	-	-	-	(200)
Accounting Changes**					
Energy, Science and Technology – Independent Electricity Market Operator	-	-	-	303	283
Finance – Provision for Electricity Sector	-	-	-	383	275
Tourism – Metro Toronto Convention Centre	-	-	-	34	48
Total Operating Expenditure	**53,743**	**54,033**	**55,601**	**57,077**	**60,298**

* 1996-97 to 1998-99 restated to reflect reclassification of leases from capital to operating.

** Accounting changes introduced in the 1999-00 Public Accounts increased operating expenditure in-year by $606 million.

Source: Ontario Ministry of Finance.

Capital Expenditure **Table D4**
($ Millions)

Ministry	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Outlook 2000-01
Agriculture, Food and Rural Affairs	-	1	1	1	80
Attorney General	20	47	73	62	64
Citizenship, Culture and Recreation	9	7	6	75	71
Community and Social Services*	28	31	27	20	20
Correctional Services	-	5	30	124	156
Economic Development and Trade	9	-	-	-	-
Education	146	267	229	52	5
Energy, Science and Technology	-	-	273	500	-
Environment	225	98	19	1	14
Water Protection Fund	-	-	15	160	51
Finance*	1	6	4	7	3
SuperBuild Millennium Partnerships	-	-	-	-	200
Health and Long-Term Care	175	106	187	338	291
Major One-Time Capital Costs	-	-	-	1,004	-
Management Board Secretariat	152	80	39	13	12
Municipal Affairs and Housing	313	152	62	(10)	2
Native Affairs Secretariat	13	11	10	5	10
Natural Resources*	33	151	73	96	75
Northern Development and Mines	168	173	177	212	273
Solicitor General*	6	7	-	-	8
Tourism	2	3	1	2	11
Training, Colleges and Universities	53	113	69	1,028	44
Transportation*	1,259	1,193	892	830	799
Year-End Savings	-	-	-	-	(120)
Accounting Changes**					
Energy, Science and Technology – Independent Electricity Market Operator	-	-	-	156	140
Tourism – Metro Toronto Convention Centre	-	-	-	156	-
Total Capital Expenditure	**2,612**	**2,451**	**2,187**	**4,832**	**2,209**

* 1996-97 to 1998-99 restated to reflect reclassification of leases from capital to operating.
** Accounting changes introduced in the 1999-00 Public Accounts increased capital expenditure in-year by $140 million.
Source: Ontario Ministry of Finance.

Ten-Year Review of Selected Financial and Economic Statistics
($ Millions)

	Modified Cash Basis		PSAB Basis
	1991-92	1992-93	1993-94
Financial Transactions			
Revenue	40,753	41,807	43,674
Expenditure			
Programs**	43,613	45,350	44,195
Restructuring and Other Charges	-	-	-
Total Program Expenditure	43,613	45,350	44,195
Capital**	3,874	3,592	3,552
Public Debt Interest			
Provincial	4,196	5,293	7,129
Electricity Sector	-	-	-
Total Expenditure	51,683	54,235	54,876
Reserve	-	-	-
Net Impact of Electricity Restructuring to be Recovered from Ratepayers***	-	-	-
Surplus / (Deficit)	**(10,930)**	**(12,428)**	**(11,202)**
Net Provincial Debt †	**49,368**	**61,796**	**80,599**
Gross Domestic Product (GDP) at Market Prices	281,570	285,101	291,733
Personal Income	247,677	253,773	256,082
Population - July (000s)	10,428	10,570	10,690
Net Provincial Debt per Capita (dollars)	4,734	5,846	7,540
Personal Income per Capita (dollars)	23,751	24,009	23,955
Total Expenditure as a per cent of GDP	18.4	19.0	18.8
Public Debt Interest as a per cent of Revenue††	10.3	12.7	16.3
Net Provincial Debt as a per cent of GDP	17.5	21.7	27.6

* Second-quarter results as at September 30.

** 1996-97 to 1998-99 restated to reflect reclassification of leases from capital to operating. Program expenditure totals for 1999-00 and 2000-01 reflect the impact of accounting changes introduced in the 1999-00 Public Accounts

*** Reflects the estimated excess of expenditure over revenue of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.

† Net Provincial Debt represents total Liabilities less Financial Assets.

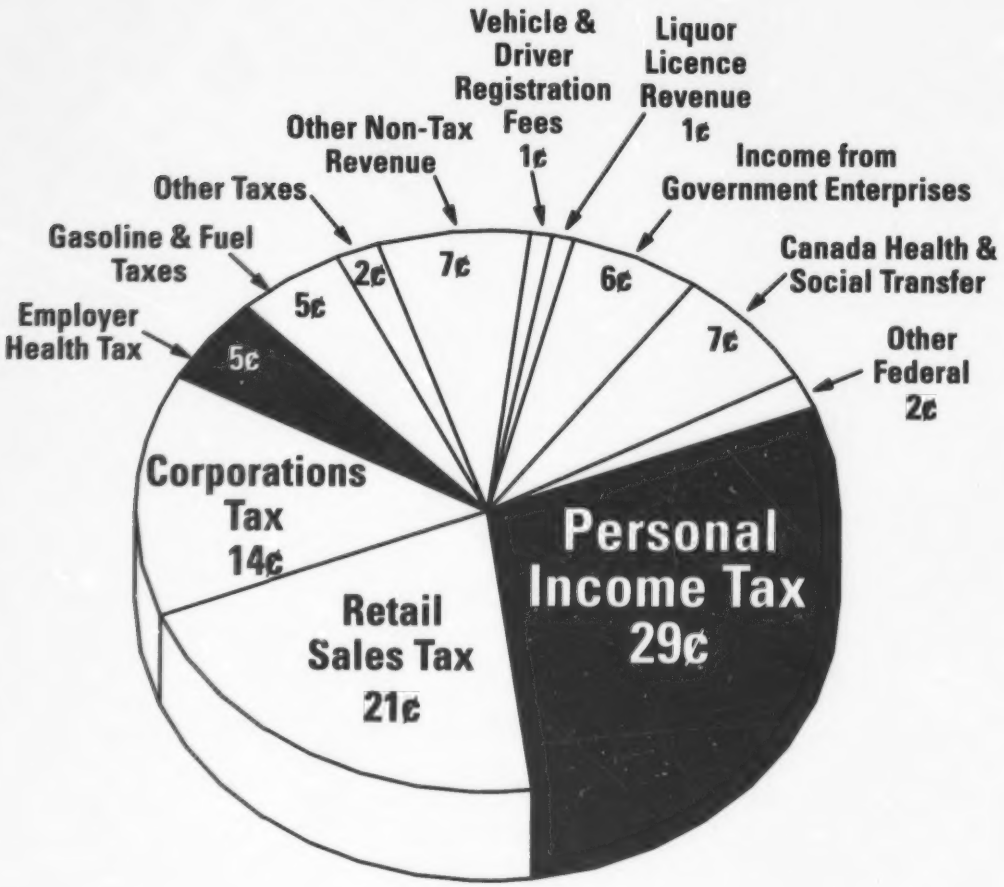
†† Starting in 1999-00, Public Debt Interest includes $520 million related to the Province's equity investment in the electricity sector.

Sources: Ontario Ministry of Finance and Statistics Canada.

Table D5

PSAB Basis						
1994-95	1995-96	1996-97	1997-98	1998-99	Actual 1999-00	Outlook* 2000-01
46,039	49,473	49,450	52,518	55,786	62,931	64,053
44,505	45,309	42,956	43,709	46,509	47,369	50,778
-	854	2,180	1,595	76	211	-
44,505	46,163	45,136	45,304	46,585	47,580	50,778
3,831	3,635	2,612	2,451	2,187	4,832	2,209
7,832	8,475	8,607	8,729	9,016	8,977	8,910
-	-	-	-	-	520	520
56,168	58,273	56,355	56,484	57,788	61,909	62,417
-	-	-	-	-	-	-
-	-	-	-	-	354	270
(10,129)	**(8,800)**	**(6,905)**	**(3,966)**	**(2,002)**	**668**	**1,366**
90,728	**101,864**	**108,769**	**112,735**	**114,737**	**113,715**	**112,079**
309,031	327,246	335,843	357,300	372,630	396,775	426,755
260,617	271,361	276,290	289,312	303,737	317,766	336,954
10,828	10,965	11,101	11,249	11,386	11,517	11,669
8,379	9,290	9,798	10,022	10,077	9,874	9,605
24,069	24,748	24,889	25,719	26,676	27,591	28,876
18.2	17.8	16.8	15.8	15.5	15.6	14.6
17.0	17.1	17.4	16.6	16.2	15.1	14.7
29.4	31.1	32.4	31.6	30.8	28.7	26.3

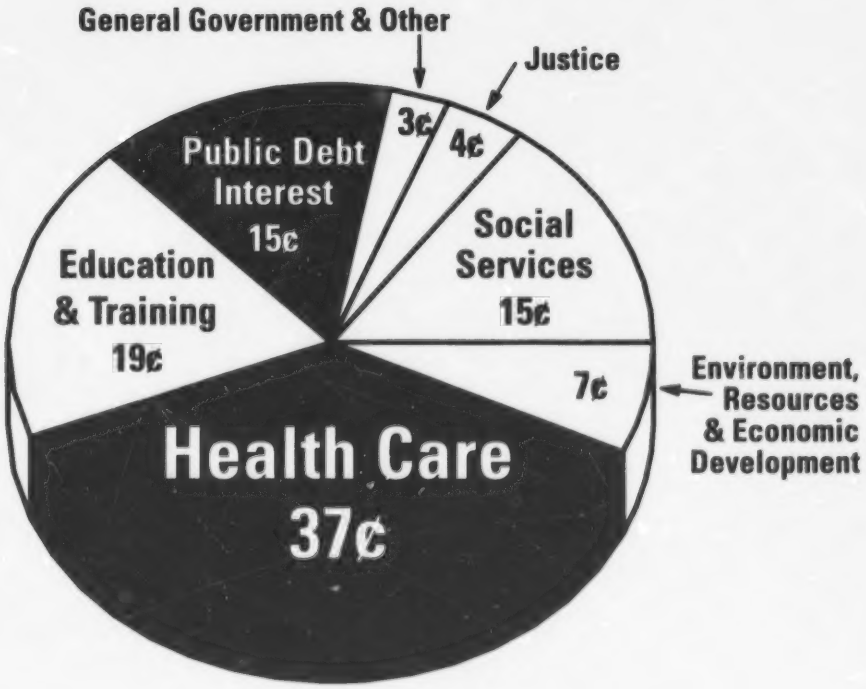
The Budget Dollar: Revenue 2000-01*


Vehicle & Driver Registration Fees 1¢
Liquor Licence Revenue 1¢
Other Non-Tax Revenue 7¢
Income from Government Enterprises 6¢
Other Taxes 2¢
Canada Health & Social Transfer 7¢
Gasoline & Fuel Taxes 5¢
Other Federal 2¢
Employer Health Tax 5¢
Corporations Tax 14¢
Personal Income Tax 29¢
Retail Sales Tax 21¢

* As at September 30.

Source: Ontario Ministry of Finance.

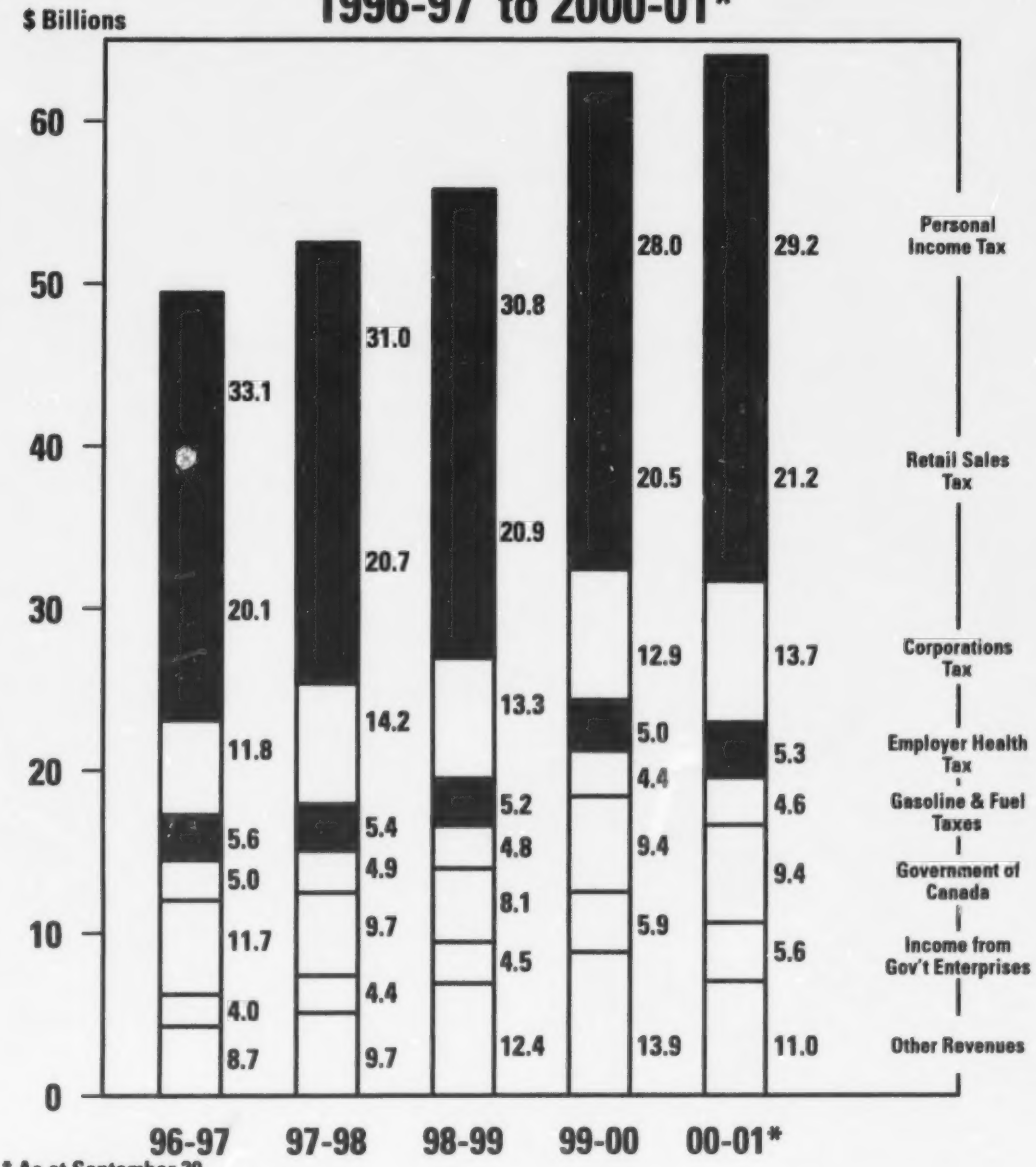
The Budget Dollar: Total Expenditure 2000-01*



* As at September 30.

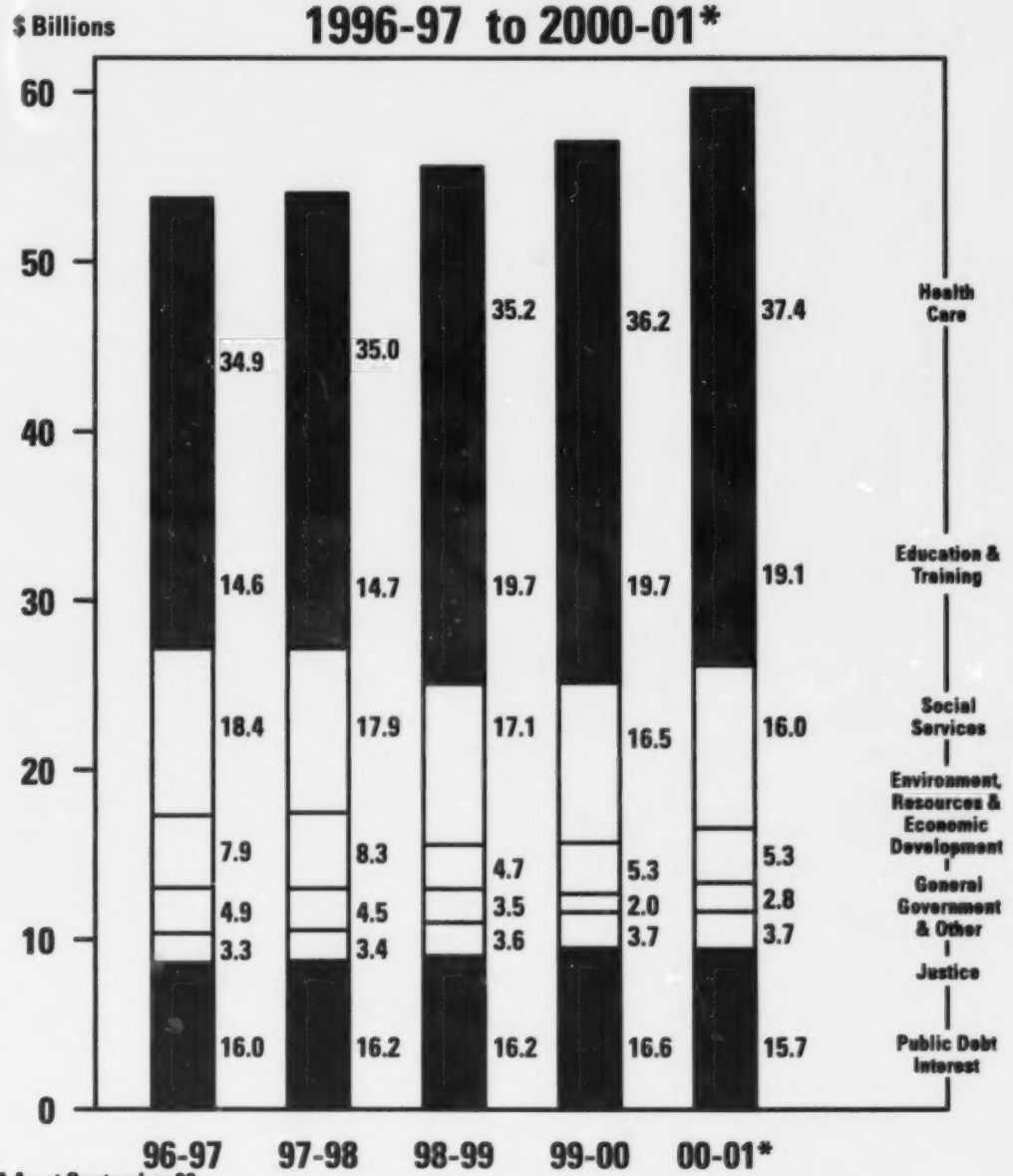
Source: Ontario Ministry of Finance.

Revenue Sources by Category
Per Cent of Total
1996-97 to 2000-01*



* As at September 30.
Source: Ontario Ministry of Finance.

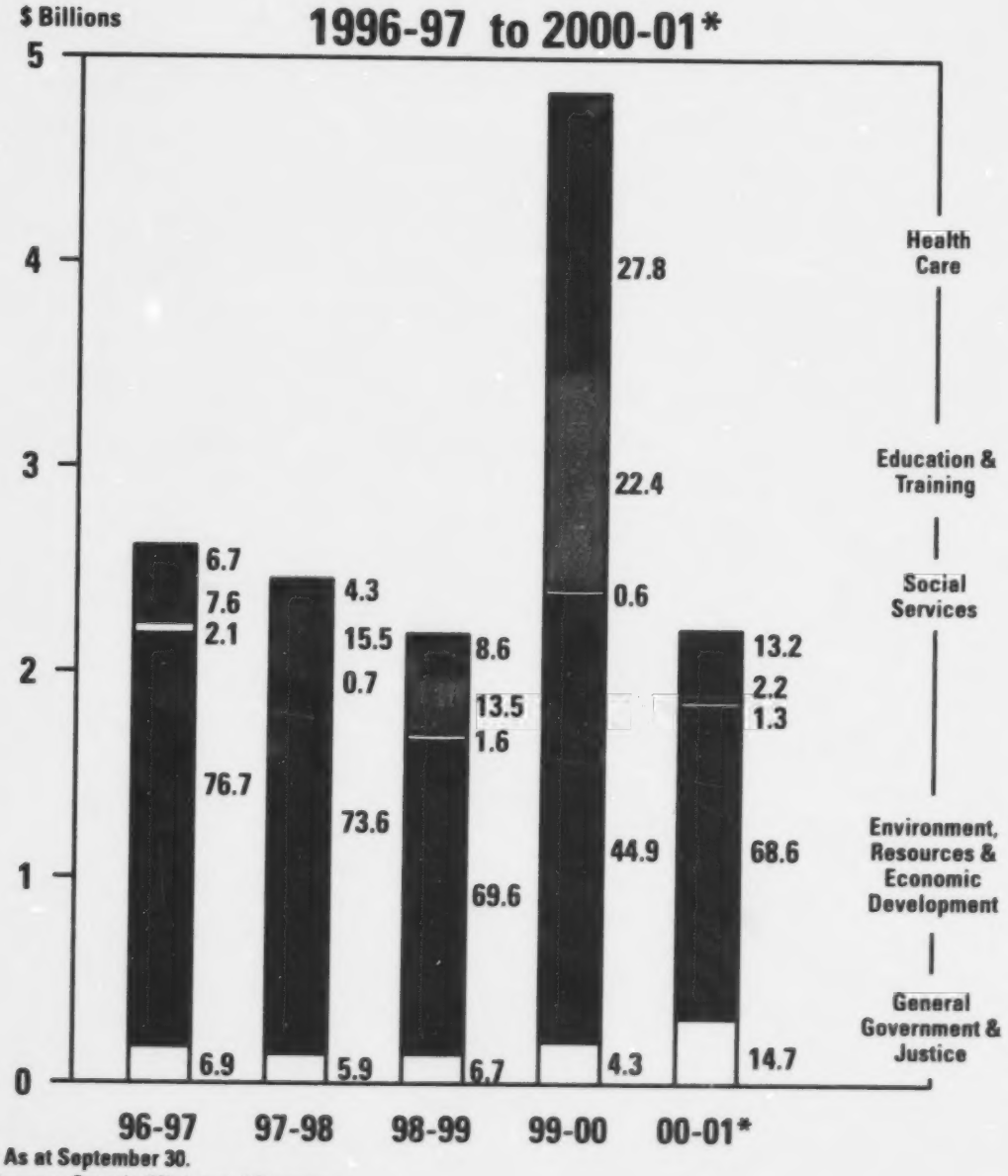
Operating Expenditure by Category
Per Cent of Total
1996-97 to 2000-01*



* As at September 30.

Source: Ontario Ministry of Finance.

Capital Expenditure by Category
Per Cent of Total
1996-97 to 2000-01*

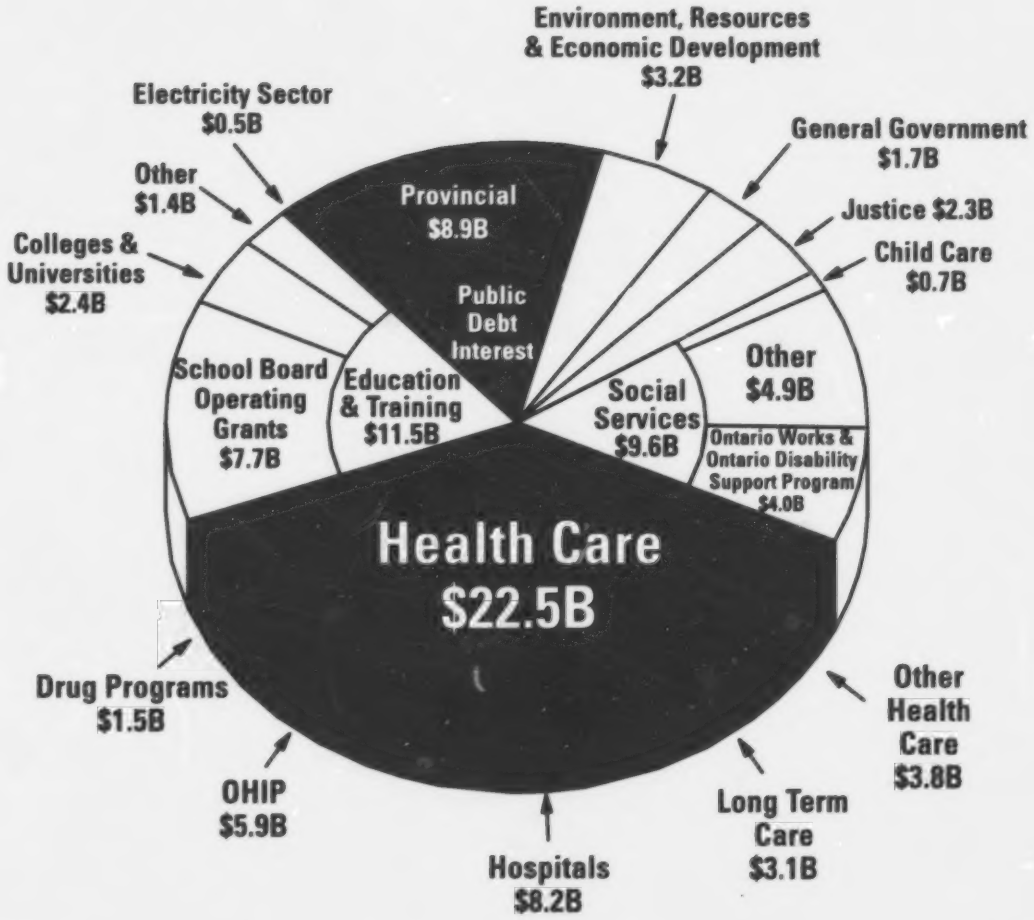


* As at September 30.

Source: Ontario Ministry of Finance.

2000-01 Operating Expenditure by Category*

($ Billions)

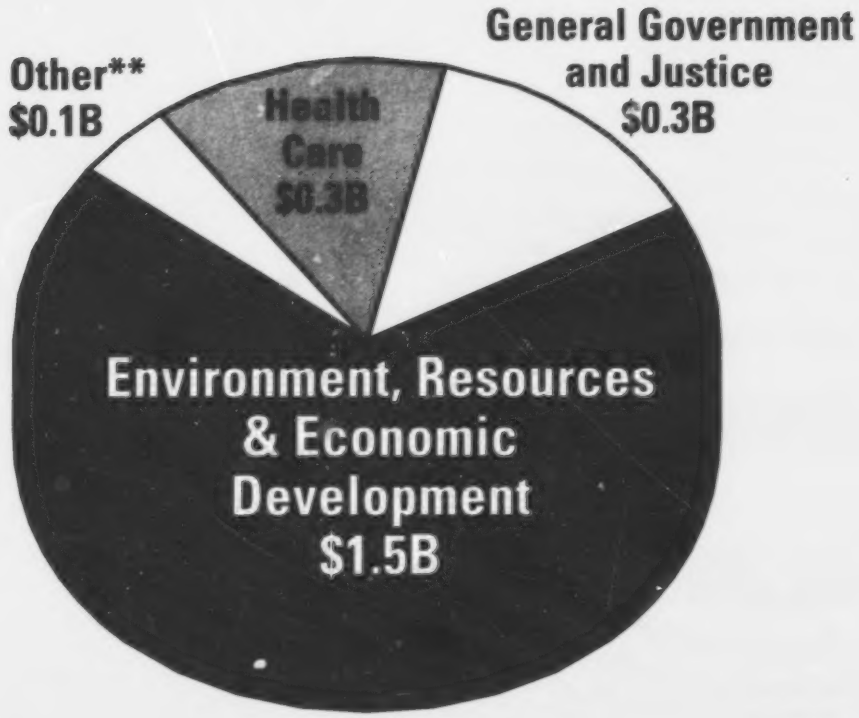


* As at September 30.

Source: Ontario Ministry of Finance.

2000-01 Capital Expenditure by Category*

($ Billions)



* As at September 30.

** Includes Schools and Post-Secondary Education, and Social Services

Source: Ontario Ministry of Finance.

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(Note: Data in the tables may not add to totals due to rounding.)

Table 1 **Outlook for the Ontario Economy**

(Annual average per cent change)

	Actual			Private-Sector Range
	1998	1999	2000e	2001p
Gross Domestic Product				
Real	4.1	6.1	5.5	3.3 - 3.8
Nominal	4.3	6.5	7.6	4.7 - 5.2
Other Economic Indicators				
Retail Sales	6.9	7.3	7.4	4.1 - 6.0
Housing Starts - Units (000s)	53.8	67.2	73.0	68.0 - 77.0
Personal Income	5.0	4.6	6.0	3.9*
Pre-Tax Corporate Profits	1.4	20.3	17.5	7.8*
Consumer Price Index (1992=100)	0.9	1.9	2.9	1.9 - 2.9
Labour Market				
Employment	3.3	3.6	3.3	1.1 - 2.5
Unemployment Rate (%)	7.2	6.3	5.7	5.3 - 6.2

* Conference Board of Canada Projection.

e = Ontario Ministry of Finance estimate. p = private-sector projection.

Sources: Statistics Canada, Canada Mortgage and Housing Corporation, Ontario Ministry of Finance and Ministry of Finance Survey of Private-Sector Forecasts (November 2000).

Table 2 **Ontario, Gross Domestic Product, 1986-1999**

(Billions of dollars)

	1986	1987	1988	1989	1990	1991	1992
Real Gross Domestic Product ($1992)	**261.5**	**273.7**	**288.3**	**297.9**	**293.8**	**282.9**	**285.1**
Consumption	140.0	147.4	155.2	161.2	162.0	159.1	161.6
Government	54.8	57.0	60.3	63.0	66.4	69.6	69.9
Residential Construction	16.8	19.5	20.2	22.0	17.8	15.1	15.9
Non-Residential Construction	9.7	10.7	11.7	12.4	11.4	11.1	9.7
Machinery and Equipment	12.1	13.6	15.9	16.3	15.7	15.2	16.2
Exports	124.3	127.6	137.9	143.1	143.6	140.1	145.9
Imports	99.9	105.6	119.5	125.3	123.2	123.0	130.4
Nominal Gross Domestic Product	**207.7**	**230.0**	**255.3**	**277.6**	**281.5**	**281.6**	**285.1**

Table 2 (continued)

(Billions of dollars)

	1993	1994	1995	1996	1997	1998	1999
Real Gross Domestic Product ($1992)	**288.2**	**305.2**	**316.6**	**320.0**	**335.5**	**349.4**	**370.7**
Consumption	163.9	168.9	172.4	176.1	184.4	190.9	198.9
Government	69.4	70.1	70.7	68.2	66.8	68.0	69.7
Residential Construction	14.5	14.8	12.7	13.9	16.6	16.3	18.7
Non-Residential Construction	7.8	6.8	6.6	8.0	8.6	8.9	8.9
Machinery and Equipment	15.1	17.4	19.6	21.7	25.4	27.8	31.7
Exports	158.1	174.9	189.4	199.7	213.8	230.8	256.9
Imports	138.2	147.5	157.6	165.8	184.0	194.7	216.1
Nominal Gross Domestic Product	**291.7**	**309.0**	**327.2**	**335.8**	**357.3**	**372.6**	**396.8**

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 3 **Ontario, Growth in Gross Domestic Product, 1986-1999**

(Per cent change)

	1986	1987	1988	1989	1990	1991	1992
Real Gross Domestic Product ($1992)	**3.6**	**4.7**	**5.3**	**3.3**	**-1.4**	**-3.7**	**0.8**
Consumption	5.4	5.2	5.3	3.9	0.5	-1.8	1.6
Government	1.7	4.1	5.7	4.5	5.4	4.7	0.5
Residential Construction	13.8	15.9	3.5	8.9	-18.9	-15.1	5.0
Non-Residential Construction	17.6	10.2	10.0	6.1	-8.0	-3.4	-12.2
Machinery and Equipment	26.5	12.4	17.2	2.5	-3.9	-3.0	6.5
Exports	4.3	2.6	8.1	3.8	0.3	-2.5	4.2
Imports	7.3	5.7	13.1	4.9	-1.7	-0.1	6.0
Nominal Gross Domestic Product	**10.2**	**10.7**	**11.0**	**8.7**	**1.4**	**0.0**	**1.3**

Table 3 (continued)

(Per cent change)

	1993	1994	1995	1996	1997	1998	1999
Real Gross Domestic Product ($1992)	**1.1**	**5.9**	**3.7**	**1.1**	**4.9**	**4.1**	**6.1**
Consumption	1.4	3.0	2.1	2.2	4.7	3.5	4.2
Government	-0.7	1.0	0.8	-3.5	-2.0	1.8	2.5
Residential Construction	-8.8	2.3	-14.3	9.8	18.9	-1.9	14.7
Non-Residential Construction	-19.6	-12.6	-2.6	20.5	7.3	3.8	-0.3
Machinery and Equipment	-6.5	15.2	12.3	10.6	17.5	9.2	14.1
Exports	8.3	10.6	8.3	5.4	7.1	8.0	11.3
Imports	5.9	6.8	6.8	5.2	11.0	5.8	11.0
Nominal Gross Domestic Product	**2.3**	**5.9**	**5.9**	**2.6**	**6.4**	**4.3**	**6.5**

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 4	Ontario, Selected Economic Indicators, 1986-1999						
	1986	1987	1988	1989	1990	1991	1992
Retail Sales* ($ billions)	58.6	64.7	69.8	72.6	72.6	67.3	68.9
Housing Starts - Units (000s)	81.5	105.2	99.9	93.3	62.6	52.8	55.8
Personal Income ($ billions)	171.2	187.6	208.7	229.0	241.7	247.7	253.8
Pre-Tax Corporate Profits ($ billions)	20.7	25.3	28.9	27.0	19.3	14.2	14.2
Consumer Price Index (1992 = 100)	77.5	81.4	85.3	90.2	94.6	99.0	100.0
Labour Force (000s)	5,079	5,209	5,354	5,470	5,533	5,544	5,542
Employment (000s)	4,722	4,893	5,083	5,193	5,191	5,016	4,949
Unemployment Rate (%)	7.0	6.1	5.1	5.1	6.2	9.5	10.7

Table 4 (continued)	1993	1994	1995	1996	1997	1998	1999
Retail Sales* ($ billions)	71.7	76.9	79.6	80.2	86.4	92.4	99.1
Housing Starts - Units (000s)	45.1	46.6	35.8	43.1	54.1	53.8	67.2
Personal Income ($ billions)	256.1	260.6	271.4	276.3	289.3	303.7	317.8
Pre-Tax Corporate Profits ($ billions)	17.4	27.2	32.6	33.5	37.0	37.5	45.1
Consumer Price Index (1992 = 100)	101.8	101.8	104.3	105.9	107.9	108.9	111.0
Labour Force (000s)	5,581	5,574	5,620	5,695	5,801	5,914	6,071
Employment (000s)	4,974	5,039	5,131	5,181	5,313	5,490	5,688
Unemployment Rate (%)	10.9	9.6	8.7	9.0	8.4	7.2	6.3

* Retail sales include Federal Sales Taxes up to 1990 but exclude GST after 1990.

Sources: Statistics Canada, Ontario Ministry of Finance and Canada Mortgage and Housing Corporation.

Table 5 **Ontario, Economic Indicators, Annual Change, 1986-1999**

(Per cent change)

	1986	1987	1988	1989	1990	1991	1992
Retail Sales*	9.0	10.5	7.8	4.0	0.0	-7.2	2.3
Housing Starts	25.6	29.1	-5.0	-6.6	-32.9	-15.7	5.6
Personal Income	8.4	9.6	11.3	9.7	5.5	2.5	2.5
Pre-Tax Corporate Profits	7.4	22.0	14.5	-6.8	-28.4	-26.4	-0.3
Consumer Price Index	4.4	5.0	4.8	5.7	4.9	4.7	1.0
Labour Force	2.5	2.6	2.8	2.2	1.2	0.2	0.0
Employment	3.7	3.6	3.9	2.2	0.0	-3.4	-1.3

Table 5 (continued)

(Per cent change)

	1993	1994	1995	1996	1997	1998	1999
Retail Sales*	4.1	7.2	3.6	0.7	7.8	6.9	7.3
Housing Starts	-19.1	3.3	-23.2	20.2	25.6	-0.4	24.9
Personal Income	0.9	1.8	4.1	1.8	4.7	5.0	4.6
Pre-Tax Corporate Profits	22.5	56.8	19.7	3.0	10.2	1.4	20.3
Consumer Price Index	1.8	0.0	2.5	1.5	1.9	0.9	1.9
Labour Force	0.7	-0.1	0.8	1.3	1.9	1.9	2.6
Employment	0.5	1.3	1.8	1.0	2.6	3.3	3.6

* Retail sales include Federal Sales Taxes up to 1990 but exclude GST after 1990.

Sources: Statistics Canada, Ontario Ministry of Finance and Canada Mortgage and Housing Corporation.

Table 6 **Ontario, Real Gross Domestic Product by Industry[1], 1993-1999**

(Millions of dollars)

	1993	1994	1995	1996
Goods Producing Industries	**79,588**	**84,600**	**89,181**	**90,428**
Primary Industries	5,929	5,860	6,009	6,154
Agriculture	2,777	2,996	3,142	3,185
Manufacturing[2]	53,359	58,056	62,472	63,055
Construction	11,520	11,671	11,155	12,026
Utilities	8,781	9,012	9,546	9,194
Services Producing Industries	**168,227**	**174,578**	**180,304**	**182,316**
Transportation, Storage and Communication	15,838	16,852	17,852	18,232
Transportation & Storage	8,265	8,922	9,278	9,544
Communication	7,573	7,930	8,575	8,688
Trade	27,205	28,653	30,213	30,984
Wholesale	13,088	13,861	14,962	15,698
Retail	14,116	14,793	15,251	15,286
Finance, Insurance and Real Estate	43,479	45,429	46,669	48,321
Community, Business and Personal Services	64,610	66,193	68,038	67,815
Education	16,449	16,413	16,544	16,225
Health & Social Services	18,566	18,743	18,829	18,064
Business Services	13,139	14,140	15,265	16,153
Accommodation, Food & Beverage Services	5,883	6,055	6,268	6,272
Amusement & Recreation	2,465	2,590	2,675	2,697
Personal & Household Services	2,116	2,192	2,347	2,280
Other Services	5,992	6,060	6,111	6,125
Government Services	17,096	17,450	17,531	16,963
Federal	8,024	8,346	8,343	8,069
Provincial	4,229	4,179	4,170	3,882
Local	4,842	4,925	5,018	5,013
Total Production ($1992) at Factor Cost	**247,816**	**259,178**	**269,485**	**272,744**
Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	40,348	46,045	47,096	47,238
Gross Domestic Product ($1992) at Market Prices	**288,164**	**305,223**	**316,581**	**319,982**

Table 6 (continued) **Ontario, Real Gross Domestic Product by Industry[1], 1993-1999**

(Millions of dollars)

	1997	1998	1999
Goods Producing Industries	**94,006**	**97,225**	**103,758**
Primary Industries	5,963	6,047	6,047
Agriculture	3,077	3,278	3,446
Manufacturing[2]	66,159	69,698	74,672
Construction	12,788	12,649	13,833
Utilities	9,095	8,831	9,206
Services Producing Industries	**190,721**	**199,396**	**209,752**
Transportation, Storage and Communication	19,048	20,257	22,105
Transportation & Storage	9,835	10,364	10,952
Communication	9,213	9,893	11,153
Trade	33,807	36,704	40,840
Wholesale	17,447	19,156	21,984
Retail	16,360	17,548	18,856
Finance, Insurance and Real Estate	51,104	52,746	54,253
Community, Business and Personal Services	69,866	72,766	75,483
Education	15,829	16,074	16,064
Health & Social Services	18,310	18,381	18,193
Business Services	18,055	19,865	22,217
Accommodation, Food & Beverage Services	6,514	7,077	7,460
Amusement & Recreation	2,775	2,810	2,855
Personal & Household Services	2,299	2,347	2,390
Other Services	6,084	6,211	6,303
Government Services	16,896	16,923	17,072
Federal	7,904	8,031	8,207
Provincial	3,850	3,815	3,774
Local	5,142	5,077	5,090
Total Production ($1992) at Factor Cost	**284,727**	**296,621**	**313,510**
Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	50,781	52,743	57,212
Gross Domestic Product ($1992) at Market Prices	**335,508**	**349,364**	**370,772**

Notes:

1. Gross Domestic Product on an industry basis is at factor cost, whereas GDP on an expenditure basis is at market prices.
2. See Table 8 for detailed manufacturing industries.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 7 Ontario, Growth in Real Gross Domestic Product by Industry[1], 1993-1999

(Per cent change)

	1993	1994	1995	1996
Goods Producing Industries	**1.5**	**6.3**	**5.4**	**1.4**
Primary Industries	1.8	-1.2	2.5	2.4
Agriculture	4.9	7.9	4.9	1.4
Manufacturing[2]	5.1	8.8	7.6	0.9
Construction	-13.5	1.3	-4.4	7.8
Utilities	3.5	2.6	5.9	-3.7
Services Producing Industries	**1.0**	**3.8**	**3.3**	**1.1**
Transportation, Storage and Communication	-1.4	6.4	5.9	2.1
Transportation & Storage	1.4	8.0	4.0	2.9
Communication	-4.3	4.7	8.1	1.3
Trade	2.1	5.3	5.4	2.6
Wholesale	-1.5	5.9	7.9	4.9
Retail	5.7	4.8	3.1	0.2
Finance, Insurance and Real Estate	1.3	4.5	2.7	3.5
Community, Business and Personal Services	1.0	2.5	2.8	-0.3
Education	-0.2	-0.2	0.8	-1.9
Health & Social Services	1.5	1.0	0.5	-4.1
Business Services	2.1	7.6	8.0	5.8
Accommodation, Food & Beverage Services	0.4	2.9	3.5	0.1
Amusement & Recreation	0.2	5.1	3.3	0.8
Personal & Household Services	-0.4	3.6	7.0	-2.9
Other Services	1.8	1.1	0.8	0.2
Government Services	0.6	2.1	0.5	-3.2
Federal	-0.1	4.0	0.0	-3.3
Provincial	0.1	-1.2	-0.2	-6.9
Local	2.2	1.7	1.9	-0.1
Total Production ($1992) at Factor Cost	**1.1**	**4.6**	**4.0**	**1.2**
Gross Domestic Product ($1992) at Market Prices	**1.1**	**5.9**	**3.7**	**1.1**

Table 7 (continued) Ontario, Growth in Real Gross Domestic Product by Industry[1], 1993-1999

(Per cent change)

	1997	1998	1999
Goods Producing Industries	**4.0**	**3.4**	**6.7**
Primary Industries	-3.1	1.4	0.0
Agriculture	-3.4	6.5	5.1
Manufacturing[2]	4.9	5.3	7.1
Construction	6.3	-1.1	9.4
Utilities	-1.1	-2.9	4.2
Services Producing Industries	**4.6**	**4.5**	**5.2**
Transportation, Storage and Communication	4.5	6.3	9.1
Transportation & Storage	3.0	5.4	5.7
Communication	6.0	7.4	12.7
Trade	9.1	8.6	11.3
Wholesale	11.1	9.8	14.8
Retail	7.0	7.3	7.5
Finance, Insurance and Real Estate	5.8	3.2	2.9
Community, Business and Personal Services	3.0	4.2	3.7
Education	-2.4	1.6	-0.1
Health & Social Services	1.4	0.4	-1.0
Business Services	11.8	10.0	11.8
Accommodation, Food & Beverage Services	3.9	8.6	5.4
Amusement & Recreation	2.9	1.3	1.6
Personal & Household Services	0.9	2.1	1.8
Other Services	-0.7	2.1	1.5
Government Services	-0.4	0.2	0.9
Federal	-2.0	1.6	2.2
Provincial	-0.8	-0.9	-1.1
Local	2.6	-1.3	0.3
Total Production ($1992) at Factor Cost	**4.4**	**4.2**	**5.7**
Gross Domestic Product ($1992) at Market Prices	**4.9**	**4.1**	**6.1**

Notes:

1. Gross Domestic Product on an industry basis is at factor cost, whereas GDP on an expenditure basis is at market prices.
2. See Table 9 for detailed manufacturing industries.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 8 **Ontario, Real Gross Domestic Product in Selected Manufacturing Industries, 1993-1999**

(Millions of dollars)

	1993	1994	1995	1996	1997	1998	1999
Manufacturing	53,359	58,056	62,472	63,055	66,159	69,698	74,672
Food	6,113	6,341	6,628	6,615	6,185	6,451	6,450
Beverage	1,560	1,615	1,753	1,664	1,540	1,647	1,693
Rubber Products	939	1,105	1,100	1,248	1,269	1,318	1,408
Plastic Products	1,505	1,625	1,604	1,780	1,873	2,003	2,315
Leather & Allied Products	193	211	182	152	130	131	112
Primary Textile & Textile Products	878	998	1,140	1,088	1,140	1,187	1,216
Clothing	756	732	782	797	839	866	794
Wood	824	903	953	1,017	1,228	1,277	1,354
Furniture & Fixture	913	1,031	1,187	1,288	1,484	1,784	1,883
Paper & Allied Products	2,133	2,201	2,263	2,410	2,222	2,170	2,360
Printing & Publishing	3,355	3,454	3,480	3,534	3,606	3,621	3,403
Primary Metals	3,170	3,177	3,318	3,047	3,283	3,374	3,420
Fabricated Metal Products	3,776	4,389	4,913	5,046	5,291	5,608	5,840
Machinery	2,312	2,793	3,393	3,432	3,561	3,476	3,335
Transportation Equipment	11,752	13,233	14,440	14,661	16,527	17,328	19,998
Electrical & Electronic	4,610	5,229	5,759	5,353	6,165	6,976	8,275
Non-metallic Mineral Products	1,220	1,268	1,299	1,392	1,531	1,689	1,837
Refined Petroleum & Coal Products	414	427	414	424	422	416	465
Chemical & Chemical Products	4,806	4,905	5,203	5,339	5,226	5,668	5,724
Other Manufacturing	2,131	2,419	2,660	2,768	2,638	2,710	2,791

Note: Gross Domestic Product on an industry basis is at factor cost, whereas GDP on an expenditure basis is at market prices.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 9 **Ontario, Growth in Real Gross Domestic Product in Selected Manufacturing Industries, 1993-1999**

(Per cent change)

	1993	1994	1995	1996	1997	1998	1999
Manufacturing	5.1	8.8	7.6	0.9	4.9	5.3	7.1
Food	-2.1	3.7	4.5	-0.2	-6.5	4.3	0.0
Beverage	6.0	3.5	8.6	-5.1	-7.5	7.0	2.8
Rubber Products	14.0	17.7	-0.5	13.4	1.7	3.9	6.8
Plastic Products	3.6	8.0	-1.3	11.0	5.2	6.9	15.6
Leather & Allied Products	5.5	9.3	-13.7	-16.3	-14.3	0.4	-14.3
Primary Textile & Textile Products	3.1	13.6	14.3	-4.6	4.8	4.1	2.4
Clothing	-2.6	-3.2	6.9	1.9	5.3	3.2	-8.3
Wood	7.5	9.6	5.5	6.7	20.7	4.0	6.0
Furniture & Fixture	10.1	12.9	15.1	8.6	15.3	20.2	5.6
Paper & Allied Products	-0.7	3.2	2.8	6.5	-7.8	-2.4	8.8
Printing & Publishing	-9.4	3.0	0.8	1.5	2.0	0.4	-6.0
Primary Metals	9.6	0.2	4.4	-8.2	7.7	2.8	1.4
Fabricated Metal Products	6.8	16.2	11.9	2.7	4.9	6.0	4.1
Machinery	16.1	20.8	21.5	1.1	3.7	-2.4	-4.1
Transportation Equipment	15.5	12.6	9.1	1.5	12.7	4.8	15.4
Electrical & Electronic	1.3	13.4	10.2	-7.1	15.2	13.1	18.6
Non-metallic Mineral Products	0.8	4.0	2.4	7.2	10.0	10.4	8.8
Refined Petroleum & Coal Products	3.4	3.2	-3.1	2.4	-0.5	-1.3	11.7
Chemical & Chemical Products	6.1	2.1	6.1	2.6	-2.1	8.5	1.0
Other Manufacturing	-5.6	13.5	10.0	4.0	-4.7	2.7	3.0

Note: Gross Domestic Product on an industry basis is at factor cost, whereas GDP on an expenditure basis is at market prices.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 10	Ontario, Housing Market Indicators, 1993-1999						
	1993	1994	1995	1996	1997	1998	1999
Residential Construction							
Current $ millions*	**14,622**	**15,353**	**13,279**	**14,549**	**17,716**	**17,786**	**20,908**
	-8.0	5.0	-13.5	9.6	21.8	0.4	17.6
New Construction*	6,602	7,423	5,933	6,489	8,571	8,724	10,991
	-14.8	12.4	-20.1	9.4	32.1	1.8	26.0
Alterations and Improvements*	5,335	5,081	5,015	5,383	5,764	5,964	6,497
	6.4	-4.8	-1.3	7.3	7.1	3.5	8.9
Transfer Costs*	2,685	2,849	2,331	2,677	3,381	3,098	3,420
	-13.9	6.1	-18.2	14.8	26.3	-8.4	10.4
Housing Starts (000's)*	**45.1**	**46.6**	**35.8**	**43.1**	**54.1**	**53.8**	**67.2**
	-19.1	3.3	-23.2	20.2	25.6	-0.4	24.9
Home Resales (000's)*	**106.8**	**115.2**	**105.0**	**137.9**	**140.6**	**138.5**	**148.7**
	-6.6	7.8	-8.8	31.4	1.9	-1.5	7.4
Average Resale Home Price ($)*	**156,555**	**160,158**	**154,606**	**155,662**	**164,382**	**167,115**	**174,048**
	-3.1	2.3	-3.5	0.7	5.6	1.7	4.1

* Per cent change is shown on second line.

Sources: Statistics Canada, Canada Mortgage and Housing Corporation, Canadian Real Estate Association and Ontario Ministry of Finance.

Table 11 **Selected Financial Indicators, 1986-1999**

(Per cent)

	1986	1987	1988	1989	1990	1991	1992
Interest Rates							
Bank Rate	9.2	8.4	9.7	12.3	13.0	9.0	6.8
Prime Rate	10.5	9.5	10.8	13.3	14.1	9.9	7.5
10-Year Government Bonds	9.1	9.5	9.8	9.8	10.8	9.4	8.1
Three-Month T-Bills	9.0	8.1	9.5	12.1	12.8	8.7	6.6
Mortgage Rates							
5-Year Rate	11.2	11.1	11.6	12.1	13.2	11.2	9.5
1-Year Rate	10.2	9.9	10.8	12.9	13.4	10.1	7.9
Household Debt Burden*							
Consumer	18.3	19.2	20.2	20.7	21.5	21.4	21.1
Mortgage	38.9	42.7	46.0	48.5	52.4	54.8	58.3
Total	57.2	62.0	66.2	69.2	73.9	76.2	79.4

Table 11 (continued)

(Per cent)

	1993	1994	1995	1996	1997	1998	1999
Interest Rates							
Bank Rate	5.1	5.8	7.3	4.5	3.5	5.1	4.9
Prime Rate	5.9	6.9	8.6	6.1	5.0	6.6	6.4
10-Year Government Bonds	7.2	8.4	8.1	7.2	6.1	5.3	5.6
Three-Month T-Bills	4.8	5.5	7.1	4.2	3.2	4.7	4.7
Mortgage Rates							
5-Year Rate	8.7	9.3	9.2	7.9	7.1	6.9	7.6
1-Year Rate	6.9	7.8	8.4	6.2	5.5	6.5	6.8
Household Debt Burden*							
Consumer	21.1	22.4	23.2	24.4	25.9	27.5	28.3
Mortgage	61.4	64.6	64.7	66.3	67.8	68.4	68.9
Total	82.4	87.0	87.9	90.7	93.8	95.9	97.2

* Canadian household debt as a share of personal disposable income.

Note: All data are annual averages.

Sources: Statistics Canada and Bank of Canada.

Table 12 **Ontario and the G-7, Real Gross Domestic Product Growth, 1986-1999**

(Per cent)

	1986	1987	1988	1989	1990	1991	1992
Ontario	3.6	4.7	5.3	3.3	-1.4	-3.7	0.8
Canada	2.6	4.1	4.9	2.5	0.3	-1.9	0.9
France	2.3	2.5	4.2	4.3	2.5	1.1	1.3
Germany	2.3	1.5	3.7	3.6	5.7	5.0	2.2
Italy	2.5	3.0	3.9	2.9	2.0	1.4	0.8
Japan	2.9	4.2	6.2	4.8	5.1	3.8	1.0
United Kingdom	4.2	4.4	5.2	2.1	0.6	-1.5	0.1
United States	3.4	3.4	4.2	3.5	1.8	-0.5	3.0

Table 12 (continued)

(Per cent)

	1993	1994	1995	1996	1997	1998	1999
Ontario	1.1	5.9	3.7	1.1	4.9	4.1	6.1
Canada	2.3	4.7	2.8	1.5	4.4	3.3	4.5
France	-0.9	1.8	1.9	1.1	1.9	3.2	2.9
Germany	-1.1	2.3	1.7	0.8	1.5	2.2	1.5
Italy	-0.9	2.2	2.9	1.1	1.8	1.5	1.4
Japan	0.3	0.6	1.5	5.1	1.6	-2.5	0.3
United Kingdom	2.3	4.4	2.8	2.6	3.5	2.2	2.1
United States	2.7	4.0	2.7	3.6	4.4	4.4	4.2

Sources: OECD, U.S. Department of Commerce and Statistics Canada.

Table 13 **Ontario and the G-7, Employment Growth, 1986-1999**

(Per cent)

	1986	1987	1988	1989	1990	1991	1992
Ontario	3.7	3.6	3.9	2.2	0.0	-3.4	-1.3
Canada	3.1	2.9	3.2	2.2	0.8	-1.8	-0.7
France	0.5	0.4	1.0	1.5	0.8	0.0	-0.6
Germany	1.4	0.7	0.8	1.5	3.0	2.5	-1.6
Italy	0.4	-0.3	0.5	-0.1	1.2	0.7	-1.0
Japan	0.8	1.0	1.7	2.0	2.0	1.9	1.1
United Kingdom	0.1	2.6	4.3	2.4	0.3	-3.0	-2.1
United States	2.3	2.6	2.2	2.1	1.2	-0.9	0.7

Table 13 (continued)

(Per cent)

	1993	1994	1995	1996	1997	1998	1999
Ontario	0.5	1.3	1.8	1.0	2.6	3.3	3.6
Canada	0.8	2.0	1.9	0.8	2.3	2.7	2.8
France	-1.2	0.1	0.8	0.1	0.5	1.1	2.0
Germany	-1.5	-0.3	-0.1	-0.8	-0.8	0.4	0.3
Italy	-3.1	-1.6	-0.6	0.5	0.4	1.1	1.2
Japan	0.2	0.1	0.1	0.4	1.1	-0.7	-0.8
United Kingdom	-0.4	1.0	1.2	1.1	1.6	1.2	1.0
United States	1.5	2.3	1.5	1.4	2.2	1.5	1.5

Sources: OECD, U.S. Bureau of Labor Statistics and Statistics Canada.

Table 14 **Ontario and the G-7, Unemployment Rates, 1986-1999**

(Per cent)

	1986	1987	1988	1989	1990	1991	1992
Ontario	7.0	6.1	5.1	5.1	6.2	9.5	10.7
Canada	9.6	8.8	7.8	7.5	8.1	10.3	11.2
France	10.4	10.5	10.0	9.3	8.9	9.4	10.4
Germany	7.7	7.6	7.6	6.9	6.2	5.5	6.6
Italy	9.9	10.2	10.5	10.2	9.1	8.6	8.8
Japan	2.8	2.8	2.5	2.3	2.1	2.1	2.2
United Kingdom	11.8	10.2	7.8	6.1	5.9	8.2	10.2
United States	7.0	6.2	5.5	5.3	5.6	6.8	7.5

Table 14 (continued)

(Per cent)

	1993	1994	1995	1996	1997	1998	1999
Ontario	10.9	9.6	8.7	9.0	8.4	7.2	6.3
Canada	11.4	10.4	9.4	9.6	9.1	8.3	7.6
France	11.7	12.2	11.6	12.3	12.4	11.8	11.1
Germany	7.8	8.3	8.1	8.8	9.8	9.3	9.0
Italy	10.2	11.2	11.7	11.7	11.8	11.9	11.5
Japan	2.5	2.9	3.1	3.4	3.4	4.1	4.7
United Kingdom	10.3	9.4	8.6	8.0	6.9	6.2	5.9
United States	6.9	6.1	5.6	5.4	4.9	4.5	4.2

Sources: OECD, U.S. Bureau of Labor Statistics and Statistics Canada.

Table 15 **Ontario and the G-7, CPI Inflation Rates, 1986-1999**

(Per cent)

	1986	1987	1988	1989	1990	1991	1992
Ontario	4.4	5.0	4.8	5.7	4.9	4.7	1.0
Canada	4.1	4.4	4.0	5.0	4.8	5.6	1.5
France	2.5	3.3	2.7	3.5	3.6	3.2	2.4
Germany	-0.1	0.2	1.3	2.8	2.7	3.6	5.1
Italy	5.8	4.7	5.1	6.3	6.5	6.3	5.3
Japan	0.6	0.1	0.7	2.3	3.1	3.3	1.7
United Kingdom	3.4	4.1	4.9	7.8	9.5	5.9	3.7
United States	1.9	3.6	4.1	4.8	5.4	4.2	3.0

Table 15 (continued)

(Per cent)

	1993	1994	1995	1996	1997	1998	1999
Ontario	1.8	0.0	2.5	1.5	1.9	0.9	1.9
Canada	1.8	0.2	2.2	1.6	1.6	0.9	1.7
France	2.1	1.7	1.8	2.0	1.2	0.8	0.5
Germany	4.4	2.8	1.7	1.4	1.9	0.9	0.6
Italy	4.6	4.1	5.2	4.0	2.0	2.0	1.7
Japan	1.2	0.7	-0.1	0.1	1.7	0.6	-0.3
United Kingdom	1.6	2.5	3.4	2.4	3.1	3.4	1.6
United States	3.0	2.6	2.8	3.0	2.3	1.6	2.2

Sources: OECD, U.S. Bureau of Labor Statistics and Statistics Canada.

Table 16 **G-7, Exchange Rates, 1986-1999**

(Foreign Currency per Canadian Dollar)

	1986	1987	1988	1989	1990	1991	1992
Euro*	-	-	-	-	-	-	-
France	4.975	4.525	4.831	5.376	4.651	4.902	4.367
Germany	1.555	1.353	1.422	1.585	1.381	1.441	1.289
Italy	1,063.8	980.4	1,052.6	1,162.8	1020.4	1,075.3	1,020.4
Japan	120.5	108.8	104.1	116.3	123.5	117.2	104.7
United Kingdom	0.491	0.460	0.456	0.515	0.480	0.493	0.469
United States	0.720	0.754	0.812	0.845	0.857	0.873	0.827

Table 16 (continued) (Foreign Currency per Canadian Dollar)

	1993	1994	1995	1996	1997	1998	1999
Euro*	-	-	-	-	-	-	0.631
France	4.386	4.050	3.631	3.750	4.211	3.968	4.139
Germany	1.280	1.184	1.043	1.103	1.251	1.183	1.234
Italy	1,219.5	1,176.5	1,186.2	1,131.2	1,228.5	1,168.2	1,222.5
Japan	85.8	74.7	68.0	79.7	87.3	87.8	76.3
United Kingdom	0.516	0.478	0.461	0.470	0.441	0.407	0.416
United States	0.775	0.732	0.729	0.733	0.722	0.674	0.673

* Introduced January 4, 1999.

Note: All data are annual averages.

Source: Bank of Canada.

Table 17 Ontario, International Merchandise Exports by Major Commodity[1], 1999

	Value ($ millions)	Per cent of total
Motor Vehicles, Parts and Accessories	80,385	41.1
Machinery and Mechanical Appliances	23,752	12.1
Electrical Machinery and Equipment	9,685	5.0
Plastics and Plastic Articles	6,073	3.1
Non-Ferrous Metals and Allied Products	5,987	3.1
Pulp; Paper and Allied Products	5,850	3.0
Furniture and Fixtures, Signs, Prefabricated Buildings	4,828	2.5
Prepared Foodstuffs, Beverages and Tobacco	3,862	2.0
Articles of Iron and Steel	3,279	1.7
Precious Metals, Stones and Coins	3,247	1.7
Wood and Wood Products	3,087	1.6
Other Chemical Products	2,979	1.5
Scientific, Professional and Photo Equipment, Clocks	2,622	1.3
Iron and Steel	2,442	1.2
Mineral Products	2,257	1.2
Aircraft, Spacecraft and Parts	2,182	1.1
Rubber and Rubber Articles	1,925	1.0
Articles of Stone, Cement, Ceramic and Glass	1,624	0.8
Railway, Rolling Stock and Parts	1,605	0.8
Vegetable Products; Fats and Oils	1,400	0.7
Textiles and Textile Articles	1,373	0.7
Live Animals; Animal Products	1,268	0.6
Inorganic Chemicals; Chemical Elements and Compounds	1,207	0.6
Organic Chemicals	1,196	0.6
Pharmaceutical Products	881	0.5
Printed Matter	827	0.4
Apparel and Clothing Accessories	736	0.4
Toys, Games and Sports Equipment	577	0.3
Hides, Leather, Travel Goods and Furs	321	0.2
Miscellaneous Articles; Works of Art	241	0.1
Other Textile and Clothing Articles	165	0.1
Footwear	92	0.0
Ships, Boats and Floating Structures	52	0.0
Headgear, Umbrellas, Artificial Flowers	35	0.0
Other Commodities[2]	17,480	8.9
Total Exports	195,523	100.0

Notes:

1. Ontario Ministry of Economic Development and Trade definition of product groupings based on two-digit Harmonized System Codes. Data are customs based.
2. Other Commodities includes re-exports and special transactions.

Sources: Statistics Canada and Ontario Ministry of Economic Development and Trade.

Table 18 Ontario, International Merchandise Imports by Major Commodity[1], 1999

	Value ($ millions)	Per cent of total
Motor Vehicles, Parts and Accessories	48,209	22.8
Machinery and Mechanical Appliances	44,408	21.0
Electrical Machinery and Equipment	27,089	12.8
Scientific, Professional and Photo Equipment, Clocks	8,110	3.8
Plastics and Plastic Articles	7,587	3.6
Non-Ferrous Metals and Allied Products	7,084	3.4
Other Chemical Products	7,060	3.3
Prepared Foodstuffs, Beverages and Tobacco	4,574	2.2
Articles of Iron and Steel	4,319	2.0
Pulp; Paper and Allied Products	4,040	1.9
Furniture and Fixtures, Signs, Prefabricated Buildings	3,794	1.8
Vegetable Products; Fats and Oils	3,531	1.7
Rubber and Rubber Articles	3,398	1.6
Iron and Steel	3,181	1.5
Pharmaceutical Products	3,167	1.5
Organic Chemicals	3,124	1.5
Articles of Stone, Cement, Ceramic and Glass	2,925	1.4
Textiles and Textile Articles	2,848	1.3
Mineral Products	2,415	1.1
Printed Matter	2,342	1.1
Apparel and Clothing Accessories	1,942	0.9
Toys, Games and Sports Equipment	1,802	0.9
Aircraft, Spacecraft and Parts	1,636	0.8
Precious Metals, Stones and Coins	1,598	0.8
Live Animals; Animal Products	1,443	0.7
Wood and Wood Products	1,255	0.6
Inorganic Chemicals; Chemical Elements and Compounds	1,035	0.5
Railway, Rolling Stock and Parts	841	0.4
Footwear	705	0.3
Hides, Leather, Travel Goods and Furs	637	0.3
Miscellaneous Articles; Works of Art	628	0.3
Other Textile and Clothing Articles	457	0.2
Ships, Boats and Floating Structures	202	0.1
Headgear, Umbrellas, Artificial Flowers	123	0.1
Other Commodities[2]	3,899	1.8
Total Imports	**211,412**	**100.0**

Notes:

1. Ontario Ministry of Economic Development and Trade definition of product groupings based on two-digit Harmonized System Codes. Data are customs based.
2. Other Commodities includes trans-shipments from one province to another through a foreign jurisdiction and special transactions.

Sources: Statistics Canada and Ontario Ministry of Economic Development and Trade.

Table 19 Ontario, International Merchandise Trade by Major Region, 1999

	Exports ($ millions)	Per cent of total	Imports ($ millions)	Per cent of total
United States	182,842	93.5	160,581	76.0
Western Europe	6,048	3.1	14,223	6.7
European Union	5,217	2.7	13,246	6.3
Other Western Europe	831	0.4	977	0.5
Eastern Europe	319	0.2	495	0.2
Asia	3,360	1.7	22,446	10.6
Pacific Rim	3,227	1.7	21,806	10.3
Other Asia	133	0.1	640	0.3
Caribbean	422	0.2	182	0.1
Latin America	1,667	0.9	9,875	4.7
Mexico	833	0.4	7,967	3.8
Middle East	487	0.2	491	0.2
Africa	324	0.2	502	0.2
Statistical Discrepancy	54	0.0	2,618	1.2
Total	**195,523**	**100.0**	**211,412**	**100.0**

Note: Data are customs based, and include re-exports.

Sources: Statistics Canada and Ontario Ministry of Economic Development and Trade.

Table 20 **Canada, International Merchandise Trade by Major Region, 1999**

	Exports ($ millions)	Per cent of total	Imports ($ millions)	Per cent of total
United States	308,076	86.8	215,426	67.3
Western Europe	17,785	5.0	35,758	11.2
European Union	16,525	4.7	31,820	9.9
Other Western Europe	1,259	0.4	3,938	1.2
Eastern Europe	638	0.2	1,393	0.4
Asia	19,137	5.4	43,560	13.6
Pacific Rim	18,419	5.2	41,927	13.1
Other Asia	718	0.2	1,633	0.5
Caribbean	1,036	0.3	797	0.2
Latin America	4,695	1.3	14,068	4.4
Mexico	1,632	0.5	9,541	3.0
Middle East	1,770	0.5	1,465	0.5
Africa	1,583	0.4	2,037	0.6
Statistical Discrepancy	175	0.0	5,655	1.8
Total	**354,894**	**100.0**	**320,159**	**100.0**

Note: Data are customs based.

Sources: Statistics Canada and Ontario Ministry of Economic Development and Trade.

Table 21 **Ontario, Selected Demographic Characteristics, 1976-2016[1]**

	Estimates[2]			Projections[3]		
	1976	1986	1996	2006	2011	2016
Total Population (000s)	8,414	9,438	11,101	12,526	13,199	13,860
Annual Average Growth						
Over Preceding Decade (%)	1.7	1.2	1.6	1.2	1.1	1.0
Median Age (Years)	28.5	31.9	35.0	38.5	39.8	40.8
Age Group Shares (%)						
0-14	24.9	20.3	20.3	17.7	16.3	15.8
15-24	19.1	17.1	13.2	13.4	13.4	12.5
25-44	27.6	32.1	33.0	29.7	27.9	27.5
45-64	19.6	19.8	21.3	26.1	28.3	28.3
65-74	5.5	6.5	7.3	7.0	7.6	9.1
75+	3.4	4.2	5.0	6.2	6.5	6.8
Total Fertility Rate	1.7	1.6	1.6	1.5	1.5	1.5
Life Expectancy (Years)						
Male	70.8	73.8	75.9	77.6	78.3	79.1
Female	78.0	80.0	81.3	82.3	82.8	83.3
Families (000s)	2,147	2,516	3,005	NA	NA	NA
Households (000s)[4]	2,688	3,355	3,925	NA	NA	NA

Notes:

1. Population figures are for July (Census year).
2. Estimates by Statistics Canada based on the 1996 Census adjusted for net Census undercoverage.
3. Projections by Ontario Ministry of Finance based on the [illegible]postcensal population estimates.
4. Households are Census data.

Sources: Statistics Canada population estimates and Ontario Ministry of Finance population projections.

Table 22 **Ontario, Components of Population Growth, 1990-91 - 1999-00[1]**

(Thousands)

	1990-91	1991-92	1992-93	1993-94	1994-95
Population at Beginning of Period	**10,299.6**	**10,427.6**	**10,570.5**	**10,690.4**	**10,827.5**
Births	150.6	152.1	148.7	147.1	147.2
Deaths	71.5	73.6	74.6	77.3	78.2
Immigrants	113.9	128.3	145.0	119.6	119.8
Emigrants	18.6	19.5	18.6	19.2	19.9
Interprovincial Arrivals	73.8	70.8	66.4	64.6	66.9
Interprovincial Departures	84.7	81.9	80.6	74.0	69.7
Net Non-Permanent Residents	-43.4	-21.7	-54.4	-12.0	-16.9
Population Growth During Period	128.1	142.9	120.0	137.1	137.4
Population at End of Period[2]	**10,427.6**	**10,570.5**	**10,690.4**	**10,827.5**	**10,964.9**
Population Growth (%)	1.2	1.4	1.1	1.3	1.3

Table 22 (continued)

(Thousands)

	1995-96	1996-97	1997-98	1998-99	1999-00
Population at Beginning of Period	**10,964.9**	**11,100.9**	**11,249.5**	**11,386.1**	**11,517.3**
Births	143.1	136.3	133.3	130.9	129.0
Deaths	77.7	80.4	80.2	81.9	86.3
Immigrants	115.4	119.6	106.5	91.8	116.7
Emigrants	20.0	25.0	28.9	30.0	31.6
Interprovincial Arrivals	69.1	70.0	75.2	72.8	91.3
Interprovincial Departures	71.9	68.0	66.0	56.1	71.5
Net Non-Permanent Residents	-12.2	-3.9	-3.2	3.8	4.4
Population Growth During Period	136.0	148.8	138.6	131.9	151.1
Population at End of Period[2]	**11,100.9**	**11,249.5**	**11,386.1**	**11,517.3**	**11,669.3**
Population Growth (%)	1.2	1.3	1.2	1.2	1.3

Notes:

1. Data are from July 1 to June 30 (Census year).
2. The sum of the components does not equal the total change in population due to residual errors.

Source: Statistics Canada.

Table 23							**Ontario, Labour Force, 1986-1999**
	1986	**1987**	**1988**	**1989**	**1990**	**1991**	**1992**
Labour Force (000s)	5,079	5,209	5,354	5,470	5,533	5,544	5,542
Annual Labour Force Growth (%)	2.5	2.6	2.8	2.2	1.2	0.2	0.0
Participation Rate (%)							
Male	79.1	79.0	78.6	78.8	78.0	76.4	75.1
Female	58.6	59.5	61.0	61.3	61.4	61.0	60.0
Share of Labour Force (%)							
Youth (15-24)	23.0	22.4	21.4	20.6	19.6	18.6	18.1
Older Worker (45+)	25.7	25.9	25.9	26.0	26.3	26.6	27.4

Table 23 (continued)	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**
Labour Force (000s)	5,581	5,574	5,620	5,695	5,801	5,914	6,071
Annual Labour Force Growth (%)	0.7	-0.1	0.8	1.3	1.9	1.9	2.6
Participation Rate (%)							
Male	74.4	73.5	72.9	72.6	72.8	72.6	73.2
Female	59.5	58.8	58.7	58.9	59.1	59.7	60.4
Share of Labour Force (%)							
Youth (15-24)	17.3	16.8	16.4	16.2	15.9	15.7	16.0
Older Worker (45+)	28.0	28.8	29.1	29.5	30.2	30.6	31.3

Source: Statistics Canada.

Table 24							Ontario, Employment, 1986-1999
	1986	1987	1988	1989	1990	1991	1992
Total Employment (000s)	4,722	4,893	5,083	5,193	5,191	5,016	4,949
Male	2,677	2,760	2,823	2,875	2,851	2,717	2,661
Female	2,045	2,133	2,260	2,318	2,340	2,299	2,288
Annual Employment Growth (%)	3.7	3.6	3.9	2.2	0.0	-3.4	-1.3
Net Job Creation (000s)	166	171	190	111	-2	-176	-67
Private-Sector Employment (000s)	N/A	4,000	4,135	4,225	4,174	3,986	3,899
Broader Public Sector Employment (000s)[1]	N/A	892	947	969	1,018	1,029	1,050
Manufacturing Employment (% of total)	N/A	21.2	20.8	20.1	19.2	18.0	17.3
Services Employment (% of total)	N/A	68.0	68.7	68.9	70.0	71.7	72.7
Part-time (% of total)	16.6	16.3	16.7	16.7	17.1	18.3	18.6
Average Hours Worked Per Week[2]	37.7	37.7	38.2	38.5	38.1	37.3	36.7

Table 24 (continued)	1993	1994	1995	1996	1997	1998	1999
Total Employment (000s)	4,974	5,039	5,131	5,181	5,313	5,490	5,688
Male	2,688	2,729	2,777	2,798	2,879	2,952	3,058
Female	2,286	2,311	2,353	2,383	2,435	2,538	2,630
Annual Employment Growth (%)	0.5	1.3	1.8	1.0	2.6	3.3	3.6
Net Job Creation (000s)	25	65	91	50	133	177	198
Private-Sector Employment (000s)	3,912	3,974	4,078	4,163	4,317	4,466	4,653
Broader Public Sector Employment (000s)[1]	1,062	1,065	1,052	1,018	996	1,024	1,035
Manufacturing Employment (% of total)	16.5	16.6	17.1	17.4	17.7	18.0	18.4
Services Employment (% of total)	73.8	74.0	73.7	73.6	73.4	73.2	72.7
Part-time (% of total)	19.7	19.0	18.8	19.3	19.2	18.6	18.0
Average Hours Worked Per Week[2]	37.2	37.6	37.2	37.6	37.8	37.8	37.9

Notes:

1. Broader Public Sector includes Public Administration, Health Care and Social Assistance, and Educational Services, except for certain private-sector components such as offices of health practitioners and some private-sector educational institutions. Industry groupings are based on the North American Industry Classification System (NAICS).
2. Average actual hours worked per week at all jobs, excluding persons not at work.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 25	Ontario, Unemployment, 1986-1999						
	1986	1987	1988	1989	1990	1991	1992
Total Unemployment (000s)	357	316	271	276	342	528	593
Unemployment Rate (%)	7.0	6.1	5.1	5.1	6.2	9.5	10.7
Male	6.7	5.5	4.7	4.8	6.2	10.0	11.9
Female	7.5	6.8	5.6	5.4	6.1	8.9	9.3
Toronto CMA	N/A	4.5	3.8	4.0	5.2	9.5	11.2
Northern Ontario	N/A	9.7	8.0	7.3	8.1	11.4	12.6
Youth (15-24)	11.2	9.4	7.9	7.7	10.0	15.0	17.4
Older Workers (45+)	4.7	4.4	3.6	3.3	4.0	6.8	7.4
Unemployment (% of total)							
Long-Term (27 weeks+)	17.9	16.7	12.8	13.2	13.7	22.5	29.7
Youth (15-24)	36.8	34.8	33.2	31.3	31.7	29.3	29.5
Older Workers (45+)	17.2	18.8	18.3	17.0	16.9	19.0	19.0
Average Duration (weeks)*	16.4	16.1	13.4	13.5	13.7	18.5	23.3
Youth (15-24)	12.3	10.8	8.6	8.4	10.0	13.5	16.6
Older Workers (45+)	23.6	22.2	20.0	19.5	18.9	22.7	29.7

Table 25 (continued)	1993	1994	1995	1996	1997	1998	1999
Total Unemployment (000s)	607	535	489	515	488	424	383
Unemployment Rate (%)	10.9	9.6	8.7	9.0	8.4	7.2	6.3
Male	11.5	10.0	8.9	9.0	8.2	7.1	6.2
Female	10.1	9.1	8.5	9.0	8.7	7.2	6.4
Toronto CMA	11.4	10.4	8.6	9.1	8.0	7.0	6.1
Northern Ontario	12.4	11.6	9.9	10.7	10.4	11.0	9.0
Youth (15-24)	17.5	15.5	14.6	14.9	16.4	14.4	13.1
Older Workers (45+)	7.6	7.0	6.5	6.4	5.9	5.3	4.2
Unemployment (% of total)							
Long-Term (27 weeks+)	33.4	32.3	29.4	28.3	25.5	21.8	19.0
Youth (15-24)	27.8	27.1	27.5	26.6	30.9	31.5	33.3
Older Workers (45+)	19.5	21.1	21.7	20.8	21.3	22.6	20.7
Average Duration (weeks)*	26.9	27.5	25.8	24.8	26.6	23.2	21.2
Youth (15-24)	18.4	17.8	16.2	15.4	13.7	12.7	11.5
Older Workers (45+)	33.7	34.6	33.4	31.1	42.6	39.2	33.6

* Prior to 1997, unemployment of 100 or more weeks was recorded as 99 due to data processing limitations. This restriction was removed for data after 1996.

Source: Statistics Canada.

Table 26	Ontario, Employment Insurance (EI) and Social Assistance, 1986-1999						
	1986	1987	1988	1989	1990	1991	1992
EI Regular Beneficiaries (000s)	221	190	172	167	225	225	322
Maximum Weekly Insurable Earnings ($)	495	530	565	605	640	680	710
Maximum Weekly Entitlement ($)	297	318	339	363	384	408	426
Premium Rate							
Employer ($/$100 Insurable Earnings)	3.29	3.29	3.29	2.73	3.15	3.15/3.92[1]	4.20
Employee ($/$100 Insurable Earnings)	2.35	2.35	2.35	1.95	2.25	2.25/2.80[1]	3.00
Total Benefits Paid ($ millions)[2]	2,483	2,387	2,370	2,470	3,419	5,362	5,845
Premiums Paid ($ millions)[2]	3,946	4,379	4,804	4,346	5,281	6,058	7,279
Social Assistance Caseload (000s)[3]	268	279	289	307	366	499	608

Table 26 (continued)	1993	1994	1995	1996	1997	1998	1999
EI Regular Beneficiaries (000s)	294	294	228	180	NA[4]	NA[4]	NA[4]
Maximum Weekly Insurable Earnings ($)	745	780	815	750	39,000[5]	39,000[5]	39,000[5]
Maximum Weekly Entitlement ($)	425	429	448	413	413	413	413
Premium Rate							
Employer ($/$100 Insurable Earnings)	4.20	4.30	4.20	4.13	4.06	3.78	3.57
Employee ($/$100 Insurable Earnings)	3.00	3.07	3.00	2.95	2.90	2.70	2.55
Total Benefits Paid ($ millions)[2]	5,406	4,511	3,796	3,653	3,436	3,141	3,051
Premiums Paid ($ millions)[2]	7,400	7,797	7,997	7,555	7,980	7,771	7,587
Social Assistance Caseload (000s)[3]	660	673	660	600	568	529[3]	479[3]

Notes :

1. Premium rates for 1991 changed at mid-year.
2. Employment Insurance benefit payments are on a cash basis; premiums are paid on an accrual basis.
3. The number of social assistance cases in 1998 and 1999 includes recipients of Ontario Works Program (OW), Ontario Disability Support Program (ODSP), Temporary Care Assistance (TCA) and Assistance for Children with Severe Disabilities (ACSD) program. The *Ontario Works Act* was proclaimed in May 1998 and replaced the *General Welfare Act*. The *Ontario Disability Support Program Act* was proclaimed in June 1998.
4. Statistics Canada and Human Resources Development Canada have discovered an error in the calculation of the number of beneficiaries of Employment Insurance for 1997 to 1999. The departments have agreed to correct the data series.
5. Effective January 1, 1997, the maximum weekly insurable earnings of $750 was eliminated and replaced with an annual maximum set at $39,000.

Sources: Statistics Canada, Human Resources Development Canada, *Chief Actuary's Report on EI Premium Rates for 2000* and Ontario Ministry of Community and Social Services.

Table 27	Ontario, Labour Compensation, 1986-1999						
	1986	1987	1988	1989	1990	1991	1992
Average Weekly Earnings($)[1]	433.35	453.80	477.70	505.11	526.81	553.92	576.85
Increase (%)	4.6	4.7	5.3	5.7	4.3	5.1	4.1
CPI Inflation (%)	4.4	5.0	4.8	5.7	4.9	4.7	1.0
AWE Increase Less CPI Inflation (%)	0.2	-0.3	0.5	0.0	-0.6	0.4	3.1
AWE - Manufacturing ($)	524.76	548.57	574.71	599.94	632.38	663.46	696.85
Increase (%)	3.3	4.5	4.8	4.4	5.4	4.9	5.0
Increase Less CPI Inflation (%)	-1.1	-0.5	0.0	-1.3	0.5	0.2	4.0
Wage Settlement Increases (%)[2]							
All Sectors	4.3	3.9	4.7	5.6	6.5	4.9	2.7
Public	4.6	4.6	4.7	5.8	6.8	5.0	2.6
Private	3.7	2.7	4.6	5.1	6.3	4.6	2.7
Person Days Lost Due to Strikes and Lockouts (000s)	941	1109	1362	869	2958	454	578
Minimum Wage at Year End ($/hour)	4.35	4.55	4.75	5.00	5.40	6.00	6.35

Table 27 (continued)	1993	1994	1995	1996	1997	1998	1999
Average Weekly Earnings($)[1]	589.55	604.79	610.29	625.71	638.97	646.78	651.55
Increase (%)	2.2	2.6	0.9	2.5	2.1	1.2	0.7
CPI Inflation (%)	1.8	0.0	2.5	1.5	1.9	0.9	1.9
AWE Increase Less CPI Inflation (%)	0.4	2.6	-1.6	1.0	0.2	0.3	-1.2
AWE - Manufacturing ($)	716.07	739.08	749.94	773.80	802.48	822.88	820.35
Increase (%)	2.8	3.2	1.5	3.2	3.7	2.5	-0.3
Increase Less CPI Inflation (%)	1.0	3.2	-1.0	1.7	1.8	1.6	-2.2
Wage Settlement Increases (%)[2]							
All Sectors	1.0	0.4	1.0	1.1	1.2	1.7	2.0
Public	0.5	0.1	0.2	0.3	0.7	1.3	1.4
Private	1.9	1.1	1.7	2.2	2.2	2.2	3.1
Person Days Lost Due to Strikes and Lockouts (000s)	371	488	477	1,915	1,904	1061	651
Minimum Wage at Year End ($/hour)	6.35	6.70	6.85	6.85	6.85	6.85	6.85

Notes:

1. Average Weekly Earnings (AWE) includes overtime.
2. Wage settlement increases are for collective agreements covering 200 or more employees.

Sources: Statistics Canada, Ontario Ministry of Labour and Ontario Ministry of Finance.

Table 28 **Ontario, Employment by Occupation, 1988-1999**

(Thousands)

	1988	1989	1990	1991	1992	1993
Management	530	512	533	555	540	569
Business, Finance & Administrative	1,035	1,065	1,068	1,011	1,001	961
Natural & Applied Sciences	232	249	256	265	253	247
Health	233	234	233	248	241	255
Social Science, Education, Government Service & Religion	286	298	316	321	344	344
Art, Culture, Recreation & Sport	135	137	133	122	129	138
Sales & Service	1,174	1,182	1,203	1,168	1,185	1,221
Trades, Transport & Equipment Operators	763	802	781	719	683	678
Primary Industry	158	161	157	151	147	154
Processing, Manufacturing & Utilities	537	555	512	456	426	408
Total	**5,083**	**5,193**	**5,191**	**5,016**	**4,949**	**4,974**

Table 28 (continued) (Thousands)

	1994	1995	1996	1997	1998	1999
Management	548	596	585	590	595	553
Business, Finance & Administrative	965	979	968	962	993	1,050
Natural & Applied Sciences	250	272	270	296	327	388
Health	254	252	245	261	255	272
Social Science, Education, Government Service & Religion	375	341	340	342	356	389
Art, Culture, Recreation & Sport	150	140	148	143	155	169
Sales & Service	1,216	1,243	1,272	1,305	1,348	1,354
Trades, Transport & Equipment Operators	692	712	721	756	777	790
Primary Industry	147	143	142	143	139	153
Processing, Manufacturing & Utilities	443	453	490	515	545	571
Total	**5,039**	**5,131**	**5,181**	**5,313**	**5,490**	**5,688**

Note: Occupation groupings based on 1991 Standard Occupational Classification.

Source: Statistics Canada.

Table 29 **Ontario, Distribution of Employment by Occupation, 1988-1999**

(Per cent)

	1988	1989	1990	1991	1992	1993
Management	10.4	9.9	10.3	11.1	10.9	11.4
Business, Finance & Administrative	20.4	20.5	20.6	20.2	20.2	19.3
Natural & Applied Sciences	4.6	4.8	4.9	5.3	5.1	5.0
Health	4.6	4.5	4.5	4.9	4.9	5.1
Social Science, Education, Government Service & Religion	5.6	5.7	6.1	6.4	7.0	6.9
Art, Culture, Recreation & Sport	2.7	2.6	2.6	2.4	2.6	2.8
Sales & Service	23.1	22.8	23.2	23.3	23.9	24.6
Trades, Transport & Equipment Operators	15.0	15.4	15.1	14.3	13.8	13.6
Primary Industry	3.1	3.1	3.0	3.0	3.0	3.1
Processing, Manufacturing & Utilities	10.6	10.7	9.9	9.1	8.6	8.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 29 (continued)

(Per cent)

	1994	1995	1996	1997	1998	1999
Management	10.9	11.6	11.3	11.1	10.8	9.7
Business, Finance & Administrative	19.1	19.1	18.7	18.1	18.1	18.5
Natural & Applied Sciences	5.0	5.3	5.2	5.6	6.0	6.8
Health	5.0	4.9	4.7	4.9	4.6	4.8
Social Science, Education, Government Service & Religion	7.4	6.6	6.6	6.4	6.5	6.8
Art, Culture, Recreation & Sport	3.0	2.7	2.9	2.7	2.8	3.0
Sales & Service	24.1	24.2	24.5	24.6	24.6	23.8
Trades, Transport & Equipment Operators	13.7	13.9	13.9	14.2	14.2	13.9
Primary Industry	2.9	2.8	2.7	2.7	2.5	2.7
Processing, Manufacturing & Utilities	8.8	8.8	9.5	9.7	9.9	10.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Note: Occupation groupings based on 1991 Standard Occupational Classification.

Source: Statistics Canada.

Table 30	Ontario, Employment by Industry, 1990-1999				
					(Thousands)
	1990	1991	1992	1993	1994
Goods Producing Industries	**1,556**	**1,420**	**1,352**	**1,302**	**1,312**
Primary Industries	171	165	162	159	155
Agriculture	113	112	110	114	112
Manufacturing	994	905	857	822	838
Construction	327	285	269	264	271
Utilities	63	64	64	57	49
Services Producing Industries	**3,635**	**3,596**	**3,597**	**3,672**	**3,727**
Trade	777	759	765	778	771
Transportation & Warehousing	234	223	212	221	236
Finance, Insurance, Real Estate & Leasing	392	382	367	367	355
Professional, Scientific & Technical Services	262	269	267	270	282
Management, Administrative & Other Support	135	143	144	152	158
Educational Services	325	333	346	356	364
Health Care & Social Assistance	477	482	484	496	503
Information, Culture & Recreation	215	204	202	209	223
Accommodation & Food Services	287	272	277	281	288
Public Administration	313	316	318	318	314
Other Services	219	214	216	225	234
Total Employment	**5,191**	**5,016**	**4,949**	**4,974**	**5,039**

Table 30 (continued) **Ontario, Employment by Industry, 1990-1999**

(Thousands)

	1995	1996	1997	1998	1999
Goods Producing Industries	**1,348**	**1,366**	**1,412**	**1,469**	**1,550**
Primary Industries	152	151	143	144	152
Agriculture	107	105	103	106	114
Manufacturing	878	904	939	989	1,049
Construction	269	261	282	288	300
Utilities	49	50	48	49	50
Services Producing Industries	**3,782**	**3,815**	**3,902**	**4,021**	**4,138**
Trade	767	783	802	813	850
Transportation & Warehousing	242	244	248	261	260
Finance, Insurance, Real Estate & Leasing	365	372	377	376	384
Professional, Scientific & Technical Services	302	313	350	372	397
Management, Administrative & Other Support	174	181	194	210	224
Educational Services	358	340	340	347	368
Health Care & Social Assistance	510	503	495	518	518
Information, Culture & Recreation	233	232	248	243	257
Accommodation & Food Services	293	315	316	335	340
Public Administration	305	290	279	284	286
Other Services	235	242	251	262	254
Total Employment	**5,131**	**5,181**	**5,313**	**5,490**	**5,688**

Note: Industrial groupings based on North American Industry Classification System (NAICS).

Source: Statistics Canada.

Table 31 **Ontario, Growth in Employment by Industry, 1990-1999**

(Per cent change)

	1990	1991	1992	1993	1994
Goods Producing Industries	**-3.6**	**-8.8**	**-4.8**	**-3.7**	**0.8**
Primary Industries	-3.9	-3.4	-2.3	-1.5	-2.5
Agriculture	-2.6	-0.3	-1.7	3.3	-2.2
Manufacturing	-4.6	-9.0	-5.3	-4.2	2.0
Construction	-0.8	-12.8	-5.6	-1.9	2.5
Utilities	0.0	0.9	0.3	-11.5	-13.9
Services Producing Industries	**1.6**	**-1.1**	**0.0**	**2.1**	**1.5**
Trade	-1.1	-2.4	0.9	1.6	-0.9
Transportation & Warehousing	-0.4	-4.8	-5.0	4.5	6.6
Finance, Insurance, Real Estate & Leasing	6.0	-2.6	-3.8	0.0	-3.4
Professional, Scientific & Technical Services	6.6	2.5	-0.6	1.1	4.4
Management, Administrative & Other Support	-4.7	6.1	0.8	5.7	3.8
Educational Services	1.1	2.6	3.7	3.0	2.2
Health Care & Social Assistance	4.5	1.1	0.4	2.5	1.5
Information, Culture & Recreation	-6.2	-4.7	-1.3	3.4	6.7
Accommodation & Food Services	0.5	-5.4	2.1	1.3	2.5
Public Administration	7.0	0.9	0.7	0.2	-1.4
Other Services	1.1	-2.2	0.6	4.1	4.2
Total Employment	**0.0**	**-3.4**	**-1.3**	**0.5**	**1.3**

Table 31 (continued) **Ontario, Growth in Employment by Industry, 1990-1999**

(Per cent change)

	1995	1996	1997	1998	1999
Goods Producing Industries	**2.7**	**1.3**	**3.4**	**4.1**	**5.5**
Primary Industries	-1.8	-0.9	-5.5	1.1	5.6
Agriculture	-4.3	-1.5	-2.5	3.1	7.9
Manufacturing	4.8	2.9	3.9	5.4	6.0
Construction	-0.7	-2.6	8.0	1.8	4.4
Utilities	0.6	1.6	-3.2	1.0	1.2
Services Producing Industries	**1.5**	**0.9**	**2.3**	**3.0**	**2.9**
Trade	-0.6	2.2	2.4	1.4	4.5
Transportation & Warehousing	2.8	0.6	1.8	5.3	-0.5
Finance, Insurance, Real Estate & Leasing	2.8	2.2	1.3	-0.5	2.3
Professional, Scientific & Technical Services	7.0	3.8	11.7	6.3	6.5
Management, Administrative & Other Support	9.9	4.0	7.4	8.0	7.0
Educational Services	-1.7	-5.0	0.0	2.1	6.2
Health Care & Social Assistance	1.4	-1.4	-1.5	4.6	0.0
Information, Culture & Recreation	4.6	-0.5	7.0	-2.1	5.7
Accommodation & Food Services	1.8	7.4	0.6	5.8	1.6
Public Administration	-2.8	-4.9	-3.7	1.6	0.6
Other Services	0.4	3.1	3.5	4.6	-3.3
Total Employment	**1.8**	**1.0**	**2.6**	**3.3**	**3.6**

Note: Industrial groupings based on North American Industry Classification System (NAICS).
Source: Statistics Canada.

Table 32 **Ontario, Employment by Economic Regions, 1989-2000**

(Thousands)

	1989	1990	1991	1992	1993	1994
Ontario	**5,193**	**5,191**	**5,016**	**4,949**	**4,974**	**5,039**
Region:*						
East	**686**	**693**	**689**	**682**	**683**	**701**
Ottawa (510)	508	518	513	508	503	521
Kingston-Pembroke (515)	178	175	176	174	180	180
Greater Toronto Area (530)[1]	**2,255**	**2,244**	**2,130**	**2,104**	**2,118**	**2,115**
Central	**1,185**	**1,200**	**1,163**	**1,149**	**1,139**	**1,173**
Muskoka-Kawarthas (520)	138	138	136	140	136	137
Kitchener-Waterloo-Barrie (540)	453	450	449	450	458	470
Hamilton-Niagara Peninsula (550)	595	612	578	559	546	567
Southwest	**703**	**685**	**682**	**676**	**689**	**705**
London (560)	278	280	281	275	285	288
Windsor-Sarnia (570)	282	268	263	266	267	274
Stratford-Bruce Peninsula (580)	143	138	138	135	137	143
North	**364**	**368**	**352**	**337**	**344**	**345**
Northeast (590)	254	256	244	233	238	237
Northwest (595)	111	112	108	104	106	108

Table 32 (continued) (Thousands)

	1995	1996	1997	1998	1999	2000[2]
Ontario	**5,131**	**5,181**	**5,313**	**5,490**	**5,688**	**5,865**
Region:*						
East	674	674	685	726	750	755
Ottawa (510)	501	508	516	543	555	571
Kingston-Pembroke (515)	172	166	170	183	195	184
Greater Toronto Area (530)[1]	**2,215**	**2,242**	**2,348**	**2,426**	**2,511**	**2,612**
Central	**1,194**	**1,209**	**1,230**	**1,276**	**1,322**	**1,370**
Muskoka-Kawarthas (520)	148	148	150	152	161	165
Kitchener-Waterloo-Barrie (540)	469	478	496	515	543	551
Hamilton-Niagara Peninsula (550)	577	583	584	609	618	654
Southwest	**686**	**699**	**723**	**724**	**744**	**763**
London (560)	285	278	283	286	299	307
Windsor-Sarnia (570)	271	279	296	296	296	304
Stratford-Bruce Peninsula (580)	130	142	145	142	149	152
North	**362**	**357**	**345**	**348**	**361**	**365**
Northeast (590)	248	247	241	244	249	252
Northwest (595)	114	110	105	105	112	113

* Standard deviations vary significantly across regions, decreasing as the size of the region increases.

Notes:

1. Economic region of Toronto (530) closely matches the GTA, except that it excludes the city of Burlington.
2. Figures are monthly average, year-to-date.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 33 **Ontario, Employment by Industry for Economic Regions, 1999**

(Thousands)

	All Industries	Agriculture	Resources[1]	Manufacturing
Ontario	**5,688**	**114**	**38**	**1,049**
Region:				
East	**750**	**20**	**3**	**83**
Ottawa (510)	555	12	-	57
Kingston-Pembroke (515)	195	7	2	26
Greater Toronto Area (530)	**2,511**	**9**	**3**	**472**
Central	**1,322**	**36**	**4**	**295**
Muskoka-Kawarthas (520)	161	6	-	27
Kitchener-Waterloo-Barrie (540)	543	12	-	135
Hamilton-Niagara Peninsula (550)	618	17	2	133
Southwest	**744**	**47**	**3**	**161**
London (560)	299	15	-	52
Windsor-Sarnia (570)	296	11	-	81
Stratford-Bruce Peninsula (580)	149	21	-	28
North	**361**	**3**	**25**	**37**
Northeast (590)	249	3	17	24
Northwest (595)	112	-	8	13

Table 33 (continued)

(Thousands)

	Construction	Distributive[2]	Finance, Prof. & Mgmt.[3]	Info., Culture & Recreation[4]
Ontario	**300**	**503**	**1,005**	**257**
Region:				
East	**34**	**46**	**123**	**35**
Ottawa (510)	23	33	101	28
Kingston-Pembroke (515)	10	13	22	7
Greater Toronto Area (530)	**128**	**238**	**589**	**129**
Central	**76**	**119**	**172**	**53**
Muskoka-Kawarthas (520)	12	14	15	7
Kitchener-Waterloo-Barrie (540)	32	50	72	19
Hamilton-Niagara Peninsula (550)	31	54	85	27
Southwest	**43**	**67**	**83**	**28**
London (560)	17	29	40	9
Windsor-Sarnia (570)	17	22	30	15
Stratford-Bruce Peninsula (580)	8	16	13	4
North	**20**	**33**	**37**	**12**
Northeast (590)	14	22	25	8
Northwest (595)	6	11	12	4

Table 33 (continued) **Ontario, Employment by Industry for Economic Regions, 1999**

(Thousands)

	Retail Trade	Personal Services[5]	Education
Ontario	**657**	**594**	**368**
Region:			
East	**90**	**92**	**57**
Ottawa (510)	64	66	39
Kingston-Pembroke (515)	26	26	18
Greater Toronto Area (530)	**275**	**232**	**146**
Central	**158**	**146**	**89**
Muskoka-Kawarthas (520)	20	21	10
Kitchener-Waterloo-Barrie (540)	63	53	40
Hamilton-Niagara Peninsula (550)	76	72	39
Southwest	**83**	**78**	**48**
London (560)	32	31	25
Windsor-Sarnia (570)	33	33	17
Stratford-Bruce Peninsula (580)	18	14	7
North	**50**	**46**	**28**
Northeast (590)	36	32	19
Northwest (595)	14	14	9

Table 33 (continued)

(Thousands)

	Health & Soc. Assistance	Public Administration
Ontario	**518**	**285**
Region:		
East	**72**	**96**
Ottawa (510)	47	84
Kingston-Pembroke (515)	25	12
Greater Toronto Area (530)	**198**	**90**
Central	**120**	**53**
Muskoka-Kawarthas (520)	18	8
Kitchener-Waterloo-Barrie (540)	46	19
Hamilton-Niagara Peninsula (550)	56	26
Southwest	**81**	**23**
London (560)	37	11
Windsor-Sarnia (570)	28	9
Stratford-Bruce Peninsula (580)	15	4
North	**47**	**23**
Northeast (590)	33	17
Northwest (595)	14	7

\- Employment numbers under 1,500 are suppressed because they are statistically unreliable.
See standard deviation and GTA note for Table 32.
Industrial groupings based on North American Industry Classification System (NAICS).

Notes:

1. Includes Forestry, Fishing, Mining, Oil and Gas.
2. Includes Transportation & Warehousing, Utilities and Wholesale Trade.
3. Includes Finance, Insurance, Real Estate & Leasing; Management, Administrative & Other Support Services; and Professional, Scientific & Technical Services.
4. Information, Culture & Recreation includes industries such as Publishing, Motion Picture & Sound Recording, Broadcasting & Telecommunications, Information & Data Processing, Performing Arts, Spectator Sports, Heritage Institutions and Amusement, Gambling & Recreation.
5. Includes Accommodation & Food Services and Other Services (such as Repair, Personal and Religious).

Sources: Statistics Canada and Ontario Ministry of Finance.

Ontario Economic Regions[1]

East	
Ottawa (510)	The united counties of Stormont, Dundas and Glengarry, Prescott and Russell, Leeds and Grenville, the county of Lanark and the Ottawa-Carleton Regional Municipality
Kingston-Pembroke (515)	The counties of Lennox and Addington, Hastings, Renfrew, Prince Edward and Frontenac
Central	
Muskoka-Kawarthas (520)	The counties of Northumberland, Peterborough, Victoria, Haliburton, and the Muskoka District Municipality
Kitchener-Waterloo-Barrie (540)	The counties of Dufferin, Wellington, and Simcoe and the Waterloo Regional Municipality
Hamilton-Niagara Peninsula (550)	The county of Brant, the Regional Municipalities of Hamilton-Wentworth, Niagara, Haldimand-Norfolk and the city of Burlington in the Halton Regional Municipality
Greater Toronto Area[2]	
Toronto (530)	Toronto Metropolitan Municipality, the Regional Municipalities of Durham, York, Peel and Halton (excluding the city of Burlington)
Southwest	
London (560)	The counties of Oxford, Elgin and Middlesex
Windsor-Sarnia (570)	The counties of Lambton and Essex and Kent
Stratford-Bruce Peninsula (580)	The counties of Perth, Huron, Bruce and Grey
North	
Northeast (590)	The districts of Nipissing, Parry Sound, Manitoulin, Sudbury, Timiskaming, Cochrane, Algoma, and the Sudbury Regional Municipality
Northwest (595)	The districts of Thunder Bay, Rainy River and Kenora

Notes:
1. As defined by Statistics Canada, *Guide to the Labour Force Survey*, January 2000.
2. Economic Region 530 closely matches the GTA, except that it excludes the city of Burlington.

ONTARIO FINANCES

2000-01 SECOND QUARTER | QUARTERLY UPDATE - SEPTEMBER 30, 2000 | Ontario Ministry of Finance

Fiscal Summary
($ Millions)

	Actual 1999-00	2000-01 Budget Plan	2000-01 Current Outlook	2000-01 In-Year Change
Revenue	62,931	62,060	64,053	1,993
Expenditure				
Programs	46,649	49,525	50,172	647
Restructuring and Other Charges	211	--	--	--
Accounting Changes from 1999-00 Public Accounts*	720	--	606	606
Total Program Expenditure	47,580	49,525	50,778	1,253
Capital*	4,832	2,075	2,209	134
Public Debt Interest				
Provincial	8,977	8,940	8,910	(30)
Electricity Sector	520	520	520	--
Total Expenditure*	61,909	61,060	62,417	1,357
Reserve	--	1,000	--	(1,000)
Net Impact of Electricity Restructuring to be Recovered from Ratepayers**	354	--	270	270
SURPLUS / (DEFICIT)	**668**	**0**	**1,366**	**1,366**

* Accounting changes introduced in the 1999-00 Public Accounts increased total 2000-01 expenditure in-year by $746 million, representing more than 50 per cent of the in-year change from Budget Plan.

** Reflects the estimated excess of expenditure over revenue of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.

HIGHLIGHTS

1999-00 PUBLIC ACCOUNTS

- The 1999-00 Public Accounts, released November 1, 2000, reported the 1999-00 audited actual surplus at $668 million, up $14 million from the $654 million interim estimate in the 2000 Ontario Budget.

2000-01 IN-YEAR PERFORMANCE

SURPLUS AT $1.4 BILLION

- The 2000-01 surplus is projected at $1,366 million, as compared to a balanced budget outlook in the 2000 Ontario Budget and First Quarter Ontario Finances.

REVENUE AT $64.1 BILLION

- The revenue outlook, at $64,053 million, is up $1,993 million from the Budget Plan, and up $1,990 million from the First Quarter Ontario Finances, mainly due to increased tax revenue as a result of the strength of the economy and the revenue impact of consolidating the Independent Electricity Market Operator as a government organization.

IN-YEAR EXPENDITURE UP $0.6 BILLION

- In-year decisions increased total expenditure $611 million from the 2000 Budget Plan and $608 million from the First Quarter Ontario Finances, mainly due to an additional $498 million for the Hospitals' Comprehensive Strategy and for emergency health services, and $138 million for Public Service Pension Plan expenditures.

ACCOUNTING CHANGES INCREASE TOTAL EXPENDITURE BY $0.7 BILLION

- Accounting changes introduced in the 1999-00 Public Accounts increased 2000-01 total expenditure by $746 million due to an increase in the Provision for the Electricity Sector and the expenditure impact of consolidating the Independent Electricity Market Operator and the Metro Toronto Convention Centre as government organizations. Revenue increased by $358 million in 2000-01 as a result of these accounting changes.

RESERVE APPLIED TO REDUCE NET PROVINCIAL DEBT

- Based on improvements in the economic and revenue outlook, the $1 billion reserve has been eliminated and applied to Net Provincial Debt reduction.

For further information contact
Communications and Corporate Affairs Branch (416) 325-0333
Frost Building North, Queen's Park
Toronto M7A 1Z1

Ce rapport est disponible en français.
Renseignements : Direction des communications et des affaires ministérielles, (416) 325-0333
Édifice Frost Nord, Queen's Park, Toronto M7A 1Z1

This document is available on the Internet at: http://www.gov.on.ca/FIN/english/engdoc.htm

ONTARIO FINANCES

2000-01 SECOND QUARTER QUARTERLY UPDATE - SEPTEMBER 30, 2000

Ontario
Ministry of Finance

Fiscal Summary
($ Millions)

	Actual 1999-00	2000-01 Budget Plan	2000-01 Current Outlook	In-Year Change
Revenue	62,931	62,060	64,053	1,993
Expenditure				
Programs	46,649	49,525	50,172	647
Restructuring and Other Charges	211	--	--	--
Accounting Changes from 1999-00 Public Accounts*	720	--	606	606
Total Program Expenditure	47,580	49,525	50,778	1,253
Capital*	4,832	2,075	2,209	134
Public Debt Interest				
Provincial	8,977	8,940	8,910	(30)
Electricity Sector	520	520	520	--
Total Expenditure*	61,909	61,060	62,417	1,357
Reserve	--	1,000	--	(1,000)
Net Impact of Electricity Restructuring to be Recovered from Ratepayers**	354	--	270	270
SURPLUS / (DEFICIT)	**668**	**0**	**1,366**	**1,366**

* Accounting changes introduced in the 1999-00 Public Accounts increased total 2000-01 expenditure in-year by $746 million, representing more than 50 per cent of the in-year change from Budget Plan.

** Reflects the estimated excess of expenditure over revenue of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.

HIGHLIGHTS

1999-00 PUBLIC ACCOUNTS

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REVENUE AT $64.1 BILLION

- The revenue outlook, at $64,053 million, is up $1,993 million from the Budget Plan, and up $1,990 million from the First Quarter Ontario Finances, mainly due to increased tax revenue as a result of the strength of the economy and the revenue impact of consolidating the Independent Electricity Market Operator as a government organization.

IN-YEAR EXPENDITURE UP $0.6 BILLION

- In-year decisions increased total expenditure $611 million from the 2000 Budget Plan and $608 million from the First Quarter Ontario Finances, mainly due to an additional $498 million for the Hospitals' Comprehensive Strategy and for emergency health services, and $138 million for Public Service Pension Plan expenditures.

ACCOUNTING CHANGES INCREASE TOTAL EXPENDITURE BY $0.7 BILLION

- Accounting changes introduced in the 1999-00 Public Accounts increased 2000-01 total expenditure by $746 million due to an increase in the Provision for the Electricity Sector and the expenditure impact of consolidating the Independent Electricity Market Operator and the Metro Toronto Convention Centre as government organizations. Revenue increased by $358 million in 2000-01 as a result of these accounting changes.

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- Based on improvements in the economic and revenue outlook, the $1 billion reserve has been eliminated and applied to Net Provincial Debt reduction.

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FISCAL PERFORMANCE

REVENUE

- Total revenue is projected to be $64,053 million, up $1,993 million from the 2000 Ontario Budget Plan, and $1,990 million above the First Quarter Ontario Finances outlook. Major changes this quarter are:
  - Personal Income Tax revenue is $1,200 million higher due to the vigorous pace of growth of employment and incomes in Ontario.
  - Retail Sales Tax is $200 million higher as a result of strong growth in consumer and business spending.
  - The Employer Health Tax outlook is increased by $60 million due to robust job creation.
  - Net income from the Ontario Lottery and Gaming Corporation is increased by $170 million due to the performance of slot machines at race tracks.
  - Other Income from Government Enterprises is increased by $5 million as a result of the change in status of the Metro Toronto Convention Centre from government enterprise to government organization. With this change in status, a $5 million net loss for the Metro Toronto Convention Centre, which was included in the 2000 Budget outlook, is now excluded from Income from Government Enterprises.
  - Sales and Rentals is increased by $45 million as a result of the change in status of the Metro Toronto Convention Centre from government enterprise to government organization.
  - Miscellaneous Other Revenue is $310 million higher due to $308 million for the consolidation of the Independent Electricity Market Operator as a government organization, and $2 million for policing services provided for the Town of Tillsonburg, the County of Brant and the Township of Red Rock.

OPERATING EXPENDITURE

- Net operating expenditure, at $60,208 million, is up $1,223 million from the Budget Plan and up $1,212 million from the First Quarter Ontario Finances. Major changes this quarter are as follows:
  - Ministry of the Attorney General: An increase of $1 million to implement legislation relating to domestic violence intervention orders (restraining orders) and to fund the Organized Crime Summit.
  - Ministry of Education: A decrease of $24 million based on updated estimates of improved Teachers' Pension Plan funding gains.
  - Ministry of Energy, Science and Technology: An additional $283 million to reflect the operating component of the consolidation of the Independent Electricity Market Operator as a government organization, consistent with the treatment in the 1999-00 Public Accounts.
  - Ministry of Environment: An additional $12 million for Operation Clean Water; and an additional $10 million for the launch of the Environmental SWAT Team Initiative, partially offset by $5 million from the Contingency Fund.
  - Ministry of Finance: Consistent with the principles of electricity restructuring, an amount of $275 million has been added to the Provision for the Electricity Sector. This amount is equal to the net income of Ontario Power Generation and Hydro One in excess of the Province's interest expenditure on its equity investment in the electricity sector, consistent with the treatment in the 1999-00 Public Accounts.
  - Ministry of Health and Long-Term Care: An additional $398 million for the Hospitals' Comprehensive Strategy to support extensive modernization of hospital services; an investment of $100 million to improve access to emergency health services and to implement the flu vaccination program; an expenditure increase of $21 million in the Long-Term Care program, for increased utilization in community services and to extend School Health Support services to children attending private schools or schooled at home, fully offset from the Contingency Fund; and savings of $3 million arising from the signing of a new contract for the Ontario Health Network.

OPERATING EXPENDITURE CONT'D

- Management Board Secretariat: An additional $11 million for the Smart Card Project, fully offset from the Contingency Fund; an additional $1 million to investigate possible new facilities for the Archives of Ontario; and an additional $138 million for providing various benefit improvements and a contribution holiday to members of the Public Service Pension Plan, similar to changes in the OPSEU Pension Plan.
- Ministry of Municipal Affairs and Housing: An expenditure increase of $1 million as a result of the transfer from the Ontario Native Affairs Secretariat of the Off-Reserve Housing initiative to build and renovate off-reserve native housing in Northern Ontario.
- Ontario Native Affairs Secretariat: An expenditure decrease of $1 million as a result of the transfer of the Off-Reserve Housing initiative to the Ministry of Municipal Affairs and Housing.
- Ministry of Natural Resources: An increase of $25 million to implement and expand Ontario's Living Legacy, fully offset from the Contingency Fund; an additional $4 million to fund new responsibilities resulting from electricity restructuring, including the development of water management plans and a new business relationship with the water power industry; and an additional $1 million for resource-based tourism diversification, fully offset from the Contingency Fund.
- Ministry of the Solicitor General: An additional $3 million for OPP municipal policing services contracts (County of Brant, Town of Tillsonburg and Township of Red Rock, offset by revenue) and the Anishnabek First Nations Policing Agreement; and an increase of $1 million for enforcement and effective use of domestic violence intervention orders.
- Ministry of Tourism: An increase of $48 million as a result of the consolidation of the Metro Toronto Convention Centre as a government organization, consistent with the treatment in the 1999-00 Public Accounts.

PUBLIC DEBT INTEREST

- The Public Debt Interest forecast of $9,430 million, consisting of $8,910 million related to the Province's borrowing on its own behalf and $520 million related to the interest on debt issued for investment in the Electricity Sector, is down $30 million from the Budget Plan and the First Quarter Ontario Finances, due to lower-than-expected interest rates.

CAPITAL EXPENDITURE

- Capital expenditure at $2,209 million is up $134 million from the Budget Plan and up $142 million from the First Quarter Ontario Finances. The major changes this quarter were:
  - Ministry of Energy, Science and Technology: An additional $140 million to reflect the capital component of the consolidation of the Independent Electricity Market Operator as a government organization, consistent with the treatment in the 1999-00 Public Accounts.
  - Ontario Native Affairs Secretariat: An additional $2 million for the Aboriginal Community Capital Infrastructure Program.

Statement of Financial Transactions
($ Millions)

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Q2 2000-01
Revenue	49,450	52,518	55,786	62,931	64,053
Expenditure					
Programs*	42,956	43,709	46,509	47,369	50,778
Restructuring and Other Charges	2,180	1,595	76	211	--
Total Program Expenditure	45,136	45,304	46,585	47,580	50,778
Capital*	2,612	2,451	2,187	4,832	2,209
Public Debt Interest					
Provincial	8,607	8,729	9,016	8,977	8,910
Electricity Sector	--	--	--	520	520
Total Expenditure	56,355	56,484	57,788	61,909	62,417
Reserve	--	--	--	--	--
Net Impact of Electricity Restructuring to be Recovered from Ratepayers**	--	--	--	354	270
SURPLUS / (DEFICIT)	**(6,905)**	**(3,966)**	**(2,002)**	**668**	**1,366**
NET PROVINCIAL DEBT* **	**108,769**	**112,735**	**114,737**	**113,715**	**112,079**

* 1996-97 to 1998-99 restated to reflect reclassification of leases from capital to operating. Program expenditure totals in 1999-00 and 2000-01 reflect the impact of accounting changes introduced in the 1999-00 Public Accounts.
** Reflects the estimated excess of expenditure over revenue of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.
*** Net Provincial Debt represents total Liabilities less Financial Assets.

Selected Economic and Fiscal Statistics

	Actual 1996-97	Actual 1997-98	Actual 1998-99	Actual 1999-00	Q2 2000-01
Gross Domestic Product (GDP) at Market Prices ($ Millions)	335,843	357,300	372,630	396,775	426,755
Ontario Population (000s) - July 1	11,101	11,249	11,386	11,517	11,669
Ontario Revenue as a per cent of GDP	14.7	14.7	15.0	15.9	15.0
Ontario Revenue Growth (%)	0.0	6.2	6.2	12.8	1.8
Ontario Total Spending as a per cent of GDP	16.8	15.8	15.5	15.6	14.6
Ontario Total Spending Growth (%)	(3.3)	0.2	2.3	7.1	0.8
Ontario PDI as a Share of Revenue (%)	17.4	16.6	16.2	15.1	14.7
Ontario PDI as a Share of Total Spending (%)	15.3	15.5	15.6	15.3	15.1
Ontario PDI as a per cent of GDP	2.6	2.4	2.4	2.4	2.2
Ontario Surplus / (Deficit) as a per cent of GDP	(2.1)	(1.1)	(0.5)	0.2	0.3
Net Provincial Debt per capita	9,798	10,022	10,077	9,874	9,605
Net Provincial Debt as a per cent of GDP	32.4	31.6	30.8	28.7	26.3

Sources: Ontario Ministry of Finance and Statistics Canada.

VIBRANT ONTARIO ECONOMY IN 2000

- The Ontario economy continued to grow strongly in the second quarter of the calendar year (April-June period), with real GDP up 5.3 per cent at annual rates. This followed growth of 5.2 per cent in the first quarter.

STRONG JOB GROWTH IN 2000

- During the first eleven months of 2000, Ontario employment was up 184,000 compared to the same period in 1999.
- In November, Ontario employment rose 35,400 following a 27,400 job gain in October. The unemployment rate was 6.0 per cent.

STRONG CONSUMER SPENDING GROWTH IN 2000

- Over the first nine months of 2000, Ontario retail sales were up 7.9 per cent from a year ago and unit auto sales jumped 6.5 per cent.

HOUSING MARKET REMAINS STRONG

- Over the first ten months of 2000, housing starts in Ontario rose 8.7 per cent from a year ago.
- Over the first ten months of 2000, Toronto new home sales increased 16.5 per cent from a year ago.

BUSINESS GROWING

- Over the first nine months of 2000, Ontario manufacturing shipments rose 7.9 per cent from a year ago.
- Ontario international merchandise exports increased 6.4 per cent over the same period.

ONTARIO INFLATION MODERATE IN 2000

- Ontario's inflation rate as measured by the Consumer Price Index (CPI) was 2.9 per cent in October 2000. Excluding energy prices, the CPI increase was 1.9 per cent in October.

KEY ECONOMIC INDICATORS
(% Change from previous period, unless indicated otherwise)

		Annual	Quarterly					
		1999	99:1	99:2	99:3	99:4	00:1	00:2
Output (Seasonally Adjusted at Annual Rates)								
Real GDP	Ontario	6.1	6.7	6.6	8.0	5.5	5.2	5.3
Nominal GDP	Ontario	6.5	8.2	8.4	7.2	3.9	10.1	8.2

		Annual	Monthly 2000					
		1999	June	July	Aug	Sept	Oct	Nov
Other Indicators (Seasonally Adjusted)								
Labour Markets								
Labour Force (Change in 000s)	Ontario	157	4	23	53	7	33	44
Employment (Change in 000s)	Ontario	198	8	29	5	18	27	35
Private Sector	Ontario	187	8	23	2	22	29	46
Public Sector	Ontario	11	1	7	2	(4)	(1)	(11)
Unemployment Rate (%)	Ontario	6.3	5.4	5.3	6.0	5.8	5.9	6.0
Household Sector								
Retail Sales	Ontario	7.3	0.6	1.5	0.4	0.6	N/A	N/A
Urban Housing Starts (000s)	Ontario	62.9	57.2	80.8	62.1	67.4	73.5	N/A
New Home Sales*	Toronto	33.1	4.6	14.1	6.6	29.7	1.4	N/A
MLS Home Resales*	Ontario	7.4	(6.9)	(10.5)	2.5	(3.6)	N/A	N/A
Manufacturing Shipments	Ontario	11.7	1.5	(1.7)	1.3	0.1	N/A	N/A
Transportation Equipment	Ontario	21.3	0.8	(3.0)	1.8	0.8	N/A	N/A
Consumer Price Index*	Ontario	1.9	3.2	3.1	2.5	2.8	2.9	N/A

Sources: Statistics Canada, Ontario Ministry of Finance, Canada Mortgage and Housing Corporation, Greater Toronto Home Builders Association, Canadian Real Estate Association and Ward's Automotive.

* % change from a year earlier
N/A = Data not available

ONTARIO FINANCES
FINANCIAL TABLES

REVENUE

($ Millions)		2000-01		
	Actual 1999-00	Budget Plan	Current Outlook	In-Year Change
TAXATION REVENUE				
Personal Income Tax	17,617	17,530	18,730	1,200
Retail Sales Tax	12,879	13,400	13,600	200
Corporations Tax	8,095	8,765	8,765	--
Employer Health Tax	3,118	3,320	3,380	60
Gasoline Tax	2,154	2,260	2,260	--
Fuel Tax	665	665	665	--
Tobacco Tax	481	510	510	--
Land Transfer Tax	565	580	580	--
Mining Profits Tax	50	55	55	--
Race Tracks Tax	6	5	5	--
Preferred Share Dividends Tax	33	40	40	--
Other Taxation	218	193	193	--
	45,881	**47,323**	**48,783**	**1,460**
GOVERNMENT OF CANADA				
Canada Health and Social Transfer	3,777	3,548	3,548	--
Increase in CHST Allocation	190	552	552	--
CHST Supplements	755	757	757	--
Social Housing	466	533	533	--
Student Assistance	170	171	171	--
Indian Welfare Services	85	114	114	--
Bilingualism Development	65	64	64	--
Employability Assistance for People with Disabilities	65	66	66	--
Canada-Ontario Infrastructure Works	19	--	--	--
Other	293	227	227	--
	5,885	**6,032**	**6,032**	**--**
INCOME FROM GOVERNMENT ENTERPRISES				
Ontario Lottery and Gaming Corporation*	1,924	1,695	1,865	170
Liquor Control Board of Ontario	845	915	915	--
Ontario Power Generation Inc. and Hydro One Inc.	903	795	795	--
Other	36	18	23	5
	3,708	**3,423**	**3,598**	**175**
OTHER REVENUE				
Vehicle and Driver Registration Fees	911	920	920	--
Other Fees and Licences	667	670	670	--
Liquor Licence Revenue	539	530	530	--
Royalties	345	240	240	--
Sales and Rentals	2,133	790	835	45
Fines and Penalties	41	35	35	--
Local Services Realignment - Reimbursement of Expenditure	1,678	1,572	1,572	--
Miscellaneous	1,143	525	838	313
	7,457	**5,282**	**5,640**	**358**
TOTAL REVENUE	**62,931**	**62,060**	**64,053**	**1,993**

* Effective April 1, 2000, the Ontario Lottery Corporation and Ontario Casino Corporation merged to form the Ontario Lottery and Gaming Corporation.

OPERATING EXPENDITURE

($ Millions)		2000-01		
MINISTRY	Actual 1999-00	Budget Plan	Current Outlook	In-Year Change
Agriculture, Food and Rural Affairs	347	446	446	--
Attorney General	844	882	883	1
Board of Internal Economy	154	121	121	--
Citizenship, Culture and Recreation	337	398	398	--
Community and Social Services	7,512	7,504	7,504	--
Consumer and Commercial Relations	134	146	146	--
Correctional Services	563	591	591	--
Economic Development and Trade	94	99	99	--
Education	7,702	8,026	8,124	98
School Board Phase-in Funding	268	--	--	--
Teachers' Pension Plan (TPP)	(363)	(711)	(735)	(24)
Energy, Science and Technology	126	241	241	--
Environment	174	158	184	26
Executive Offices	19	22	22	--
Finance - Own Account	548	787	787	--
Public Debt Interest				
Provincial	8,977	8,940	8,910	(30)
Electricity Sector	520	520	520	--
Community Reinvestment Fund	521	537	537	--
Health and Long-Term Care	20,378	21,988	22,504	516
Major One-Time Operating Costs	286	--	--	--
Intergovernmental Affairs	4	5	5	--
Labour	101	100	100	--
Management Board Secretariat	170	298	310	12
Public Service/OPSEU Pension Plan	(165)	(248)	(110)	138
Contingency Fund	--	1,165	1,000	(165)
OPS Employee Severance (Net)	88	--	--	--
Municipal Affairs and Housing	1,665	1,644	1,645	1
Native Affairs Secretariat	13	16	15	(1)
Natural Resources	460	376	414	38
Northern Development and Mines	122	274	274	--
Office of Francophone Affairs	3	4	4	--
Solicitor General	814	856	863	7
Tourism	70	76	76	--
Training, Colleges and Universities	3,284	3,387	3,387	--
Transportation	587	537	537	--
Year-End Savings	--	(200)	(200)	--
Accounting Changes*				
Energy, Science and Technology – Independent Electricity Market Operator	303	--	283	283
Finance – Provision for Electricity Sector	383	--	275	275
Tourism – Metro Toronto Convention Centre	34	--	48	48
TOTAL OPERATING EXPENDITURE	**57,077**	**58,985**	**60,208**	**1,223**

* Accounting changes introduced in the 1999-00 Public Accounts increased 2000-01 operating expenditure in-year by $606 million.

REVENUE

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Contingency Fund	--	1,165	1,000	(165)
OPS Employee Severance (Net)	88	--	--	--
Municipal Affairs and Housing	1,665	1,644	1,645	1
Native Affairs Secretariat	13	16	15	(1)
Natural Resources	460	376	414	38
Northern Development and Mines	122	274	274	--
Office of Francophone Affairs	3	4	4	--
Solicitor General	814	856	863	7
Tourism	70	76	76	--
Training, Colleges and Universities	3,284	3,387	3,387	--
Transportation	587	537	537	--
Year-End Savings	--	(200)	(200)	--
Accounting Changes*				
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Tourism – Metro Toronto Convention Centre	34	--	48	48
TOTAL OPERATING EXPENDITURE	**57,077**	**58,985**	**60,208**	**1,223**

* Accounting changes introduced in the 1999-00 Public Accounts increased 2000-01 operating expenditure in-year by $606 million.

CAPITAL EXPENDITURE

($ Millions)		2000-01		
MINISTRY	Actual 1999-00	Budget Plan	Current Outlook	In-Year Change
Agriculture, Food and Rural Affairs	1	80	80	--
Attorney General	62	64	64	--
Citizenship, Culture and Recreation	75	71	71	--
Community and Social Services	20	20	20	--
Correctional Services	124	156	156	--
Education	52	5	5	--
Energy, Science and Technology	500	--	--	--
Environment	1	14	14	--
Water Protection Fund	160	51	51	--
Finance	7	3	3	--
SuperBuild Millennium Partnerships	--	200	200	--
Health and Long-Term Care	338	291	291	--
Major One-Time Capital Costs	1,004	--	--	--
Management Board Secretariat	13	12	12	--
Municipal Affairs and Housing	(10)	2	2	--
Native Affairs Secretariat	5	8	10	2
Natural Resources	96	83	75	(8)
Northern Development and Mines	212	273	273	--
Solicitor General	--	8	8	--
Tourism	2	11	11	--
Training, Colleges and Universities	1,028	44	44	--
Transportation	830	799	799	--
Year-End Savings	--	(120)	(120)	--
Accounting Changes*				
Energy, Science and Technology – Independent Electricity Market Operator	156	--	140	140
Tourism – Metro Toronto Convention Centre	156	--	--	--
TOTAL CAPITAL EXPENDITURE	**4,832**	**2,075**	**2,209**	**134**

* Accounting changes introduced in the 1999-00 Public Accounts increased 2000-01 capital expenditure in-year by $140 million.

ONTARIO'S 2000-01 FINANCING PROGRAM

($ Millions)		2000-01		
	Actual 1999-00	Budget Plan	Current Outlook	Change from Budget
Deficit / (Surplus)	(668)	--	(1,366)	(1,366)
Accruals and Consolidations	623	5,205	5,430	225
Net Borrowing on Behalf of Agencies*	(2,758)	--	83	83
Increase / (Decrease) in Liquid Reserves	4,102	(4,500)	(4,500)	--
Net Cash Requirements	1,299	705	(353)	(1,058)
Maturing Debt**	7,895	8,425	8,239	(186)
Early Redemptions and Debt Buybacks	1,246	500	2,148	1,648
Total Financing Requirements	10,440	9,630	10,034	404
Sources of Funds:				
Canada Pension Plan Borrowing	870	1,038	805	(233)
Other Sources / (Uses)	295	--	(330)	(330)
Increase / (Decrease) in Short-Term Borrowing	608	--	--	--
Long-Term Public Borrowing***	8,667	8,592	9,559	967
TOTAL FINANCING	**10,440**	**9,630**	**10,034**	**404**

* Includes other balance sheet changes.
** Maturing debt is lower than Budget Plan due to the Province exercising its options on extendible bonds.
*** Includes Ontario Savings Bonds.
For the purposes of the Financing table, budget surpluses are expressed as negative numbers.

2000-01 FINANCING ACTIVITIES TO DATE

($ Millions)	Issued (as of September 30)	Remaining	% Completed
LONG-TERM PUBLIC FINANCING (INCLUDING CPP)	7,265	3,099	70.1%

♦Long-term financing undertaken in the second quarter totalled $1,466 million as follows:

	($ Millions)
Canadian Dollar Issues	812
US Dollar Issues	471
Canada Pension Plan	183
	1,466

♦Total financing requirements are $404 million higher than in the 2000 Budget Plan, largely due to $1,648 million higher-than-forecasted early redemptions of Ontario Savings Bonds and Ontario debt buybacks. This increase has been largely offset by lower cash requirements.

♦Based on the projected surplus for 2000-01, Net Provincial Debt is forecast at $112.1 billion at March 31, 2001. This is $2.0 billion lower than the Budget Plan due to lower-than-anticipated Net Provincial Debt in the 1999-00 Public Accounts and improvements in the surplus outlook for 2000-01.

♦As part of the Ontario Financing Authority's mandate to manage the debt and financing requirements of the Ontario Electricity Financial Corporation (OEFC), it has completed $1,216 million of OEFC's required refinancing of $1,950 million as of September 30, 2000. The refinancing requirements are down $511 million from the forecasted $2,461 million requirement at the time of the Budget.

CAPITAL EXPENDITURE

($ Millions)		2000-01		
MINISTRY	Actual 1999-00	Budget Plan	Current Outlook	In-Year Change
Agriculture, Food and Rural Affairs	1	80	80	--
Attorney General	62	64	64	--
Citizenship, Culture and Recreation	75	71	71	--
Community and Social Services	20	20	20	--
Correctional Services	124	156	156	--
Education	52	5	5	--
Energy, Science and Technology	500	--	--	--
Environment	1	14	14	--
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